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Vancouver Stock Exchange

New president of the rapidly growing Vancouver Stock Exchange is Thomas E. Pilkington, assistant general manager of James Richardson & Sons. The 51-year-old Vancouver market, with 33 active members, had a record year in 1958, when $49 million in stocks — just over half of them industrials—changed hands. As recently as 1949, industrials accounted for only $1 million of the $16 million stocks traded. *(Personality sketch, p. 6)*

NATION'S BUSINESS

Let's Know Quickly Rules for Oil, Gas

It is important in the extreme that the Prime Minister act very promptly and decisively on the announcement of last week that the government will set up a National Energy Board.

The urgency is this: The oil, gas and related industries must promptly be released from their present purgatory of fear, apprehension and uncertainty so that important projects can get ahead in this coming construction season.

Some may argue that the industries concerned are overly fearful about what Ottawa plans for them; or that they have no cause for fear. The fact is they are fearful.

Whether or not they have good reason to be is a point that can only be argued about until the legislation is set forth and the running rules of the new regulatory body are made clear.

Men entrusted with the health of great enterprises and the planning and financing of great projects quite naturally want to know the rules of the game in which they are engaged. The expectation of change may be more harmful than the rules themselves.

These Are Basic Considerations

In the furious and sometimes ill-informed debate that has rocked the business community since the appearance of the Borden Report last October, certain basic considerations are frequently overlooked:

1. Business is naturally and chronically fearful of government regulation but it now recognizes the inevitability and social desirability of **some** government regulation. The present commotion is not concerned with government regulation per se but about the **nature** and **extent** of regulation. Every responsible executive in the oil and gas industries well recognized that the development of our great complex of oil and gas reserves, pipelines, and energy in many forms would inevitably lead to overhaul of old regulations and the imposition of new regulations.

2. The precise form that regulation will take will be determined by the government, not by the Borden Commission. Both the opponents and proponents of those recommendations can take what comfort they may in the fact that historically, our governments take only **some** of the advice of their Royal Commissions.

3. The formation of a National Energy Board was not a scheme of the Borden Commission. To the creation of such a board, the government had committed itself before the appointment of the Commission. The Order in Council setting up and instructing the Borden Commission refers to a "National Energy Board" with very wide powers as a basic starting point for the new control policy.

4. As in every major problem in public policy, there are issues here wide open to debate between well-informed and responsible people. Unfortunately, a good deal of twaddle has been interjected.

Let's Have the Rules

To declare that some regulation of the oil and gas industry is black "socialism" is nonsense, unless the people making the charge so regard the whole battery of existing legislation which to some degree regulates all industry; and particularly public utilities.

When the Diefenbaker government gets down to drafting in specific terms the new regulations that are to be imposed it will have the benefit of a great deal of advice, not only from its own advisers, but from experienced people in the industries affected.

Not in decades has a government been so deluged with advice and exhortation. On some points of policy there are valid differences of opinion, but there is no excuse whatever for our policy-makers being ill-informed.

The degree of wisdom which our government displays in the handling of this matter will have a profound effect on our whole economy, particularly in the urgent and critical development years immediately ahead. And let no one minimize the difficulty Ottawa will have in reaching a course which will wisely serve the interests of the whole Canadian people and which will bring forth the enormous amounts of capital necessary.

The urgent thing now is for the government to make up its mind and reveal what the rules are going to be.

But on one aspect of this whole affair there can be no mistake: This will be the Diefenbaker government's first major revelation of its basic economic philosophy. The manner in which it deals with this will be important evidence as to its real understanding of the enterprise system and of its fortitude in standing up to pressure from voters who have not fully examined this extremely complex and technical issue.

* * *

No Tinkering Here

Another very important area where the government's basic philosophy will be revealed has to do with the 20% tax credit on dividends.

This device costs the government minor amounts in tax revenues in relation to the important things it achieves.

It encourages Canadians to participate in, and to benefit from, the development of our country and helps to retain ownership of corporations in Canada. It keeps a lot of money in Canada which might otherwise perhaps go into U. S. securities. It takes some of the curse off the double taxation feature of our system.

The 20% credit should most certainly be retained in the interests of all Canadians—and not just those who may own stocks.

SUPERSONIC

Canada May Build New U. S. Fighter

Plane needed to replace RCAF Sabres in Europe. Big question: Who will make it?

By CLIVE BAXTER

MONTREAL (Staff)—Canada may build a new U. S. Navy supersonic fighter to replace RCAF Sabres based in Europe.

Undecided: Which of our major aircraft companies would build it.

Senior air force planners are preparing a recommendation to the cabinet, FP understands.

A Sabre replacement has become vitally important in our NATO planning. (See p. 31).

A large number of U. S., British and European designs were evaluated.

Although the Europeans are reported to favor Italy's Fiat, Canada and the U. S. may go for the Grumman F11F-1F Super Tiger.

Few performance details are available, but speed is well over 1,000 mph and ceiling is 55,000-ft. plus.

Its main selling point: Short landing and takeoff runs stemming from its basic design—for aircraft carrier use.

The order, if it comes, will be a large one.

There are some 300 aircraft to be replaced.

If Ottawa plans to cancel the Arrow project next month it could serve as the all-important cushion to ease an industry rundown.

As long as Avro was to go ahead with Arrow production, it was generally felt the order would go to **Canadair Ltd.**

Now if Ottawa plans to halt Arrow work, the new contract

(Continued on page 8, col. 1)

Toronto's Airport to Get 'Flying Executives' Base

Toronto's Malton Airport may soon have one of the world's most up-to-date business flying centres.

This week the first hangar of a $2-million flying businessmen's headquarters was formally opened.

When the centre is complete, it will be able to handle up to 40 average-size twin-engined executive planes in its hangars and as many again on the ramp.

The Malton centre is being built by **Timmins Aviation (Terminals) Ltd.**, of Montreal, and its ambitious young (30) president, John Timmins.

Timmins has been in business flying since he opened a similar, but rather smaller, operation at Dorval Airport in September, 1956.

The need for such a centre at Toronto, he feels, became urgent when the present Department of Transport hangars used by business planes were condemned to make room for a new airline terminal.

"And we feel that Toronto will probably be the most important business flying area in Canada during the next few years," Timmins told FP.

"In the past facilities built to handle the airlines have been quite suitable for executive planes as well.

"But in the jet age, where one aircraft will be loading and unloading 150 passengers at a time, the small business plane will find airline facilities quite unsuitable."

The first hangar has been taken over entirely by **Imperial Oil** for its fleet.

Two more larger hangars, office space, passenger and crew handling facilities, car parks and extensive aircraft parking space are planned.

Annual rental will range between $2,300 for a small twin-engined plane to $11,180 for a **Vickers** Viscount.

That will include use of all facilities.

Delay on Gas Export Deals May Cost Many 1959 Jobs

By H. R. SUYDAM

Fears are mounting that a whole construction season may be lost in building gas export lines because of the forthcoming Parliamentary wrangle over gas and oil policy.

Vast projects, years in planning, are waiting to get underway.

But if Ottawa won't give them a prompt okay, nothing much will happen in 1959, with unpleasant consequences for pipe mills, a host of other suppliers and a lot of labor.

Under the old gas export setup, before a single spread of pipe could be laid in the ground, three power authorities had to give their approval:

Alberta's Oil & Gas Conservation Board, Ottawa's Board of Transport Commissioners and the U. S. Federal Power Commission.

Last weeks the Alberta board started the ball rolling:

It granted **Trans-Canada Pipe Lines** the right to export out of the province 1.1 trillion (1.1 million million) cu. ft. and at the company's request gave it three months in which to sign up another 500 billion cu. ft.

At midweek, an early and favorable decision was expected on the other two applications, both affecting exports to the U. S. Northwest:

- **Alberta & Southern,** asking for some 4.4 trillion cu. ft. for a 1,300 mile line to San Francisco;
- **Westcoast Transmission Co.,** asking for one trillion cu. ft. to connect with its present lines.

If approved by Alberta, normal procedure would then be for the companies to file applications with the Board of Transport Commissioners in Ottawa and with the FPC in Washington.

But present indications are that Ottawa may sit tight on all applications until the new National Energy Board has been set up to pass on questions of gas export and pipelines.

Naturally, this whole business will stir up much debate in Parliament and it would seem unlikely that the proposed National Energy Board would get into action soon enough to make work in this construction season.

What is worrying people inside and outside the gas industry is that this delay could rob the Canadian economy of a welcome shot in the arm.

Companies now seeking gas export permits have projected

(Continued on page 8, col. 5)

Signs and Portents

EXPENDITURES on electric generating capacity may top $1 billion this year says V. A. Ainsworth, president, Canadian Electrical Association. This is despite the addition of 2.5 million hp. in 1958.

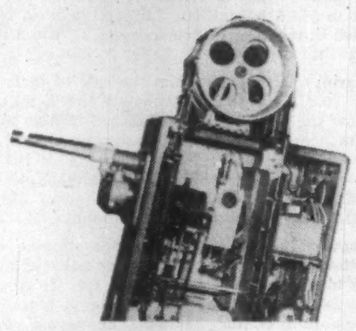
* * *

QUEBEC CITY is getting ready to hail the Helga Dan, 5,050-ton pioneer of winter navigation. It left a Danish port Jan. 29, is expected in Quebec Feb. 11. It may demonstrate that Quebec City is a year-round port.

* * *

NEW WARNINGS are going out to adults to take polio shots. Health League of Canada reports there were 8,875 cases of polio here in 1953 and only 273 in 1957. The aim is to cut still further.

Inside



One Billboard but 52 Ads . . .

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Your Wage Bill in the Year Ahead

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Profits for You in Marinas?

Central Canada is wide open for development of boat-motels, or marinas. B. C. leads the nation in these profitable enterprises, but there's lots of potential left ..... p. 20

Electric Heating Getting Hot

Within five years electricity will be taking an important slice of Canada's house heating market, with furnaceless, chimney-less, smoke-less installations .... p. 23

$36 MILLION SPENDING

Start Moosonee Survey, Plan Railway Expansion

Ottawa will probably pay the whole shot for this new "Arctic" port. Here's what it means to our economy . . .

By FORBES GILBERTSON

Preliminary work on an "Arctic" deep-water harbor development at Moosonee, Ont., on James Bay has started.

A $20,000 drilling program is under way to determine problems involved in dredging to create a safe, deep-water harbor in which big ships could winter.

It's expected that the federal government will shortly announce its intention of taking on the whole job of developing the harbor at a cost estimated at $5 million to $6 million.

When work on the harbor begins, **Ontario Northland Railway** will launch a $20-million-$30-million program of modernization of its line from Moosonee to North Bay, Ont., including passing tracks, new diesels and other improvements.

Premier Leslie Frost announced his government's enthusiastic support of the project, but it's believed the federal government will now carry the whole load.

At the moment there's no port on Hudson Bay or James Bay where large ships can winter safely.

When ice breaks up in the spring, it carries everything before it, would wreck any large ship.

Approximate distance to Moosonee from various points (in statute miles):

Toronto, 600; Fort George, 185; Great Whale, 300; Belcher Islands, 320; Churchill, Man., 900. Distance from Churchill to Liverpool, Eng., is 2,936 miles.

Here's why supporters of the Moosonee project are certain of its development:

- **Main purpose** would be as a

(Continued on page 8, col. 3)

Saddlery Co. Moving to Buy Chapples Ltd.?

It's strongly rumored this week that acquisition of **Chapples Ltd.**, family-owned northwestern Ontario store chain, is being sought by **Great West Saddlery Co.**, Winnipeg.

The rumor has not been denied by Great West Saddlery officials.

Both companies have been the subject of widespread rumors.

T. Eaton Co. was linked earlier with take-over of Chapples.

But, although the possibility was under discussion a year ago, T. Eaton Co. states that there has been no renewal of talks recently.

Rumors of Great West Saddlery's expansion plans have been accompanied by a rise in the company's stock from $20 in early November to $54 two weeks ago. Price returned to $47 this week.

FP understands that the company's offer to Chapples Ltd. is still being considered.

How Much Recovery?

The Outlook

An FP roundup of the latest facts and expert opinion on the economic weather ahead . . .

By *DALTON ROBERTSON*

Despite the likelihood of a nagging unemployment problem over most of this year, some predictions about the over-all pace of business are sounding more bullish.

Most buoyant of these was brought out this week by Prudential Insurance Co. of America officials. They predict that the sum total of all goods and services produced this year (GNP) will be 6.8% higher than last year in Canada and up 7.7% in the U. S.

In two key areas they expect Canadian recovery will be faster than the comeback in the U. S.:

- **Business outlays** for new plant and equipment in Canada will do a turnaround from 1958's decline and expand between 7%-8%. In the U. S., the increase may be little more than 5%.

Bulk of Canada's increase in building activity will be in the field of offices, supermarkets and other commercial structures rather than in factories or engineering projects. Business outlays for new machinery, by contrast, seem likely to rise only modestly.

Revival of business spending will be a healthy development but other forecasters expect cutbacks in capital spending by the federal government. This means the over-all impact of 1959 capital outlays on the economy will be little changed from that of 1958.

- **Consumer spending in Canada will rise by almost 6%,** say Prudential officials, out-pacing the expected increase in the U. S. of 5%-plus.

They predict: "The year 1959 is likely to show an increase in consumer spending in Canada along the lines of the boom years 1955 and 1956."

That was the period when employment was high and consumers went heavily into debt to help pay for their spending spree. **But even if it's not repeated, there are indications that the consumer may well be in mood to spend more than he did last year:**

(Continued on page 8, col. 1)

GABBRO SYNDICATE

New Air Hunt Popping Now In Mistassini

Survey program involves staking or acquisition of 363 claims . . .

By FRANK KAPLAN

The hot Mistassini area in northwestern Quebec has blossomed out with another surge of aerial exploration activity.

The latest district to attract attention is immediately north and west of an area flown and staked secretly by the **Broadback Syndicate** last fall (FP, Nov. 29, Jan. 31).

Prudential Mining Co. of Canada, a small exploration company which sparked formation of the Broadback Syndicate is also behind the new entry: the **Gabbro Syndicate.**

It now joins with **Gunnar Mines, Mid-Chibougamau Mines** and **Tazin Mines** in a $60,000 air survey program involving staking or acquisition of 363 claims in seven separate groups.

The Gabbro Syndicate was forced to buy some claims it wanted, as staking activity by other companies spilled northward from the some 200 square miles flown initially.

Now, all of the promising greenstone belt of some 400 sq. miles has undergone air surveys and areas indicated for closer ground examination.

This potential mineral-bearing formation about 60 miles north of the Chibougamau copper camp was revealed in a recent government map and brought to Prudential's attention by two Chibougamau consulting geologists — T. Flanagan and J. McAdam.

Altogether, it is estimated that some 6,000 claims have been staked in the Mistassini district embracing all the ground checked from the air.

Some ground surveys have been carried out and Prudential is starting drills on a wholly-owned block.

The first syndicate formed by Prudential included **Canadian Northwest Mines & Oils** and **Continental Mining Exploration** with interests split about equally.

In the second syndicate Gunnar Mines, the big Beaverlodge area uranium producer, now moving into a stepped-up general exploration program, has a 45% interest. Mid-Chibougamau and Tazin split 45%. Prudential has the remaining 10%.

Gabbro operations are being managed by **Ranworth Explorations** with detailed ground surveys to be carried out and possible drilling later this winter.

The two syndicates have spent $120,000 within a few months as they scrambled to take advantage of anomalies indicated by air survey.

While the other partners of the two syndicates are well-established Canadian mining groups, the initial spark — Prudential—started as a small venture into mining over lunch by three Toronto friends.

Jim Wallace, a Toronto lawyer, acquired the Prudential charter in lieu of a fee.

At lunch with Jack Hilborn, a young accountant, and J. D. Pemberton, a manufacturer's agent, the three friends decided to try "to do something" with the charter.

They ventured into a gold property and then into an iron showing east of Lake Mistassini in Quebec before the new government map was brought to their attention.

Other mining people also had this map available.

But few, if any, noticed the area of greenstone — the promising geological area.

For some unknown reason, the greenstone was not colored green as in all other geological maps.

While Flanagan and McAdam had spotted the greenstone, other mining companies became attracted to the district when Indians and a prospector found copper-nickel float.

These events roughly coincided to focus mining industry attention on this raw prospect area.

NATO, U.K. 'Considering' CanCar Vehicle

By VINCE LUNNY

MONTREAL (Staff)—NATO is interested in **Canadian Car Co.'s** Bobcat, a versatile amphibious tracked carrier.

Also interested in the new army vehicle, it's understood, is the U. K. It might drop development of a similar carrier and buy CanCar's.

Last week the Canadian government instructed the company to proceed with further development of the vehicle, designed by army and CanCar engineers.

"Recent tests of three prototype vehicles have established the tactical effectiveness of the Bobcat as a defence weapon of the future," public works minister H. C. Green said in the House of Commons.

"Its further development will be closely followed by army engineers and defence requirements are being studied."

S. G. Harwood, Canadian Car president, said there is "a possibility this may lead to production of the Bobcat.

"CanCar will endeavor to obtain a contract for such production and if successful will carry out the work in its Fort William plant."

Engineering is being done in Montreal.

It's understood that, even if production gets under way at the Lakehead, plans to move the Fort William operations to Montreal by the end of the year will not be altered.

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The Windsor Hotel (Tel: UN 6-9611)
21st-28th February

TORONTO
The Royal York Hotel (Tel: EM 8-2511)
4th-14th March

OTTAWA
Chateau Laurier (Tel: CE 2-6411)
19th March-4th April

Mr. Duns will be at:

VICTORIA
The Empress Hotel (Tel: EV 4-3111)
until 6th March

VANCOUVER
The Vancouver Hotel (Tel: MU 4-3131)
9th-20th March

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J. C. P. SMITH, to be manager, Lundas & English, London, Ont.
B. G. ROUSE, to be acting manager, Linstead, Jamaica.
M. L. HEPPLER, to be accountant, Acton, Ont.
P. J. PRUDENCE, assistant accountant, King & Victoria, Toronto, to be accountant, Bloor & Church, Toronto.
O. D. RUSSELL, assistant accountant, Moncton, N.B., to be accountant, Sackville, N.B.
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Trend of Business

Exports in 1958 slightly below all-time peak. Sales of Canadian goods to all countries during the year were valued at $4,928 million. Previous year's exports were valued at $4,934 million. Increased exports to the U. K. and the rest of the Commonweath were narrowly offset by decreased shipments to the U. S. and other foreign countries. December exports were valued at $449.8 million vs. $453.2 million in 1957.

Labor income up 3% on the year. Wages and salaries of Canadian workers in November amounted to an estimated $1,385.5 million, down 0.3% from the preceding month's $1,389.8 million but 3% over the like 1957 total of $1,344.6 million. Month's increase brought labor income since the beginning of 1958 up 2% to $14,819.7 million. Largest gains in November were recorded in the Prairie Provinces (6.3%) and in British Columbia (6%).

Down on the farm. Cash income from the sale of farm products during 1958 rose 8.3% to an estimated 62,808 million. This is 1.8% below the all-time high of $2,859 million reached in 1952. All provinces had larger farm cash returns (in $ million): P.E.I., 28.7 (24.5 in 1957); Nova Scotia, 43.6 (41.9); New Brunswick, 48.1 (44.8); Quebec, 424.6 (387.9); Ontario, 873.2 (791.4); Manitoba, 221.9 (203.8); Saskatchewan, 565 (538.8); Alberta, 483.6 (440.7); and British Columbia, 121.2 (117.7).

Carloadings heavier than a year ago. After slipping earlier in January following a strong year-end comeback, number of freight cars loaded in the week ending Jan. 21 rose 2.4% to 68,315 from 66,706 a year earlier. This gain placed loadings since the beginning of the year 0.6% above the year-earlier total at 185,040 cars. Moving in greater volume during the week were grain, iron ore, crude gypsum, logs, posts and pilings. Fewer cars were used for pulpwood, building sand, gravel and crushed stone.

Record baby crop in 1958. Births estimated at 472,000 were slightly above 1957's previous high of 469,100, but because of increased population the birth rate per 1,000 population dropped to 27.7 from 28.3 in the previous year. Birth registrations in 1958 were greater in Quebec, Saskatchewan, Alberta and British Columbia, virtually unchanged in Ontario and smaller in the other provinces. There were 144,459 new babies in Quebec and 153,801 in Ontario.

Wholesale sales finishing strong. Goods sold in November were valued at $662 million, a gain of 7.6% over like 1957 total. This increase brought eleven-month sales 1% above a year earlier at $7,213 million. Month's gains were led by sales of industrial and transportation equipment, up 19.2%. Other major increases: farm machinery, 15.7%; meat and dairy products, 14.7%; and footwear, 13.4%. Biggest losses were: coal and coke, 10.8%; and fresh fruits and vegetables, 8.4%.

Canada's wheat getting smaller share of world market. Total shipments by four major exporting countries in the first four months (August-November) of the current Canadian crop, year declined 4% to 285 million bu. from 298 million bu. a year earlier. The U. S. alone reported greater exports, accounting for 45.8% of the total vs. 43.9% in previous crop year. Exports in million bu. were: U.S., 138.1 (131.3 a year ago); Canada, 98.2 (104.2); Argentina, 28.1 (31.5); and Australia, 21 (31.6).

Major Weekly Indicators

	Latest Date or Week Ended		Previous Week	Previous Month	Year Ago
Department store sales, % change from year earlier	(Jan. 17)	+8.2%	+4%	+4.5%	+3.7%
Carloading totals	(Jan. 21)	68,315	68,297	66,793	66,706
Eastern Canada	(Jan. 21)	44,217	43,423	41,902	44,285
Western Canada	(Jan. 21)	24,098	24,874	24,891	22,421
Iron and steel mfg.	(Jan. 21)	1,111	1,165	1,016	1,052
Ores, concentrates	(Jan. 21)	3,497	3,215	2,866	3,179
Base metals	(Jan. 21)	374	444	416	581
Lumber, timber, plywood	(Jan. 21)	3,349	2,882	3,418	3,411
Cement	(Jan. 21)	219	203	226	293
Passenger car production	(Jan. 31)	6,288	7,368	5,563	5,722
Truck production	(Jan. 31)	1,353	1,207	798	1,052
Chartered Banks					
Personal savings ... ($ millions)	(Jan. 21)	6,837	6,825	6,785	6,241
Loans outstanding .. ($ millions)	(Jan. 21)	5,395	5,427	5,345	5,326
NHA mtge holdings ($ millions)	(Jan. 21)	796	796	786	594
Banks of Canada holdings of					
Securities ... ($ millions)	(Jan. 28)	2,603	2,617	2,713	2,433
Short-term govt. ... ($ millions)	(Jan. 28)	191	200	281	1,257
Long-term govt. .... ($ millions)	(Jan. 28)	2,325	2,325	2,340	1,077
Other securities .... ($ millions)	(Jan. 28)	33	38	38	16
Bank Clearings:					
Montreal ... ($ millions)	(Jan. 29)	776	1,007	657	728
Toronto ... ($ millions)	(Jan. 29)	1,163	1,278	1,061	1,163
Cdn. dollar (U.S. cents av.)	(Feb. 3)	103.139	103.352	103.681	101.892
T.S.E. industrial index	(Feb. 3)	533.54	527.91	518.16	418.19
Yield 114 stocks	(Feb. 2)	4.01%	4.05%	4.09%	5.25%
Bus. fail. 4-wk. moving av. .. (no.)	(Jan. 22)	24.2	22.0	23.2	27.7
Steel ingot production .... (tons)	(Jan. 24)	102,362	102,280	77,423	n/a
% of capacity	(Jan. 24)	90%	89.9%	68.1%	n/a

Facts by the Month

	Latest Month		One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—					
In all industries (Index)	Nov.	290.9	288.3	288.1	285.8
In factories (Index)	Nov.	284.9	278.3	279.2	281.0
Total nondurable goods (Index)	Nov.	263.6	259.7	260.6	247.9
•Food & bev.	Nov.	278.6	283.2	285.4	261.3
•Textiles	Nov.	176.1	166.2	169.7	173.5
•Clothing	Nov.	156.9	156.5	159.1	150.6
•Chemical products	Nov.	305.3	306.7	304.7	304.7
Total durable goods (Index)	Nov.	318.2	307.5	308.2	332.8
•Iron & steel products	Nov.	278.7	249.6	250.5	288.1
•Primary iron & steel	Nov.	343.9	208.5	205.5	364.4
From mines (Index)	Nov.	297.4	320.6	324.8	287.2
•Metals	Nov.	159.2	177.4	194.6	170.0
•Nonferrous smelting, refining	Nov.	213.7	218.1	255.9	264.9
•Gold	Nov.	105.5	112.0	106.4	108.5
—From farms					
Cattle delivered (000)	Nov.	163	160	195	196
Hogs grade (000)	Nov.	602	513	528	444
•Flour	Nov.	167.8	152.4	133.8	151.9
—From sea					
East Coast catch ($000)	Nov.	2,380	3,404	4,898	1,741
W. Coast catch ($000)	Nov.	2,342	3,735	9,993	660
—From forests					
Newsprint (000 tons)	Dec.	476	518	544	435
Pulp (000 tons)	Nov.	849	899	808	796
—In powerhouses					
•Electricity (million kwh.)	Dec.	8,841	8,462	8,347	8,225
WHAT WE SELL—					
Retail sales ($ millions)	Nov.	1,295	1,311	1,215	1,244
Dept. store sales ($ millions)	Nov.	148.1	124.5	119.6	144.9
Wholesale sales ($ millions)	Nov.	682	711	679	615
Mfrs. outstdg. orders ($ millions)	Nov.	2,112	2,118	2,236	2,325
Pass. car sales (units)	Nov.	26,726	27,655	21,832	22,345
WHAT'S ON HAND—					
Mfrs. inventories ($ millions)	Nov.	4,590	4,566	4,612	4,808
Dept. store stock sales ratio	Nov.	2.1	2.5	2.4	2.2
SPENDING, SAVING POWER—					
•Labor income ($ millions)	Nov.	1,385	1,389	1,405	1,344
Dividend payts. (Index) (annual rate)	Dec.	299.6	300.8	310.0	317.6
JOBS—					
Persons with jobs (000)	Dec.	5,680	5,773	5,804	5,658
Jobless seeking work (000)	Dec.	440	361	313	392
Do. (% of labor force)	Dec.	7.2	5.9	5.1	6.5
CONSTRUCTION—					
Contract awards ($ millions)	Dec.	271	318	365	187
FOREIGN TRADE—					
•Exports ($ millions)	Dec.	450	469	455	453
Imports ($ millions)	Nov.	457	499	423	450
MONEY—					
•Money supply ($ millions)*	Nov.	12,892	13,198	12,962	11,500
Cheques cashed ($ millions)	Nov.	19,248	22,441	19,027	18,219
Life insurance sales ($ millions)	Nov.	406	380	396	393
Notice deposits	Nov.	7,627	7,570	7,432	6,605
Current public loans ($ millions)	Oct.	5,140	5,102	5,117	5,358
PRICES—					
Consumer price (Index)	Dec	126.3	126.3	126.6	123.1
Wholesale price (Index)	Nov.	228.6	226.9	227.1	224.1

*Total deposits, less Govt. of Canada deposits less float, plus notes in circulation outside the banking system.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month		Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	Nov.	387.7	358.6	3,918.7	—16.4
Nickel (000 tons)	Nov.	3.2	14.3	136.0	—20.2
Primary copper (000 tons)	Oct.	22.2	31.7	307.4	+10.6
Lumber exports (millions fbm.)	Oct.	421	327	3,133	+3.1
Lumber (millions fbm.)	Oct.	604	512	6,172	+2.8

Index based: production 1935-39=100; consumer price index 1949=100; wholesale price index 1935-39=100.
•New item this week.
Date of issue for your file, The Financial Post, Feb. 7, 1959.

Look For It Here

February 7, 1959

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Keep Skilled Men Group Plan Aim

Heintzman & Co., Toronto, musical instrument firm, has introduced a group life insurance and pension plan designed to keep skilled employees working for the company as long as possible. Under its provisions, no retirement age has been specified and employees can practise their crafts as long as they are capable of performing their jobs.

All employees who are less than 64½ years of age and who have completed one year of service in the case of men and five years in the case of women, are eligible to participate.

The plan, designed for the more than 100-year-old Heintzman firm with the help of **Willis Faber & Co.** has been placed with **Global Life Insurance Co.,** Toronto.

The Store for Men — on a good footing

Successful men of business know the value of a healthy credit balance . . . know too, the value of personal health in their everyday life. Foot health is an asset that must be maintained . . . for a shoe that fits your foot correctly and enhances your personal appearance can be an aid to both physical and mental well-being. Expert assistants — many of them Diploma holders of the Footwear Institute of Canada — welcome the chance to advise you on shoe styling and fitting at **Simpson's** — The Store for Men.

Simpson's
The Store for Men — 285
SIMPSON'S STORES ARE LOCATED IN TORONTO, MONTREAL, LONDON, REGINA AND HALIFAX

ANNOUNCEMENT

B. J. COGHLIN COMPANY LIMITED

H. GREVILLE SMITH

The election of Mr. H. Greville Smith to the Board of Directors of the B. J. Coghlin Co. Ltd. is announced by S. H. Dobell, president of the Company.

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WHAT'S HIS LINE?

THE OBJECTS in the picture weren't put in just to confuse you. They're a clue. All of them are made wholly or partly from the same basic raw material —the material which is the "line" in question.

What *is* this line? It's *synthetic rubber*—manufactured by the Polymer Corporation of Sarnia, Canada, under the trade name of Polysar*. The fact that the products pictured here are so varied is an indication of the increasing versatility of Polysar rubbers. There is scarcely an industry which, during the past ten years, has not benefited from their use—in product improvement, simplified manufacturing methods, reduced costs, or in the actual creation of *new* products.

The research and manufacturing techniques that enabled the Polymer Corporation to offer this uniquely versatile rubber to industry, have at the same time resulted in Canada becoming one of the world's major sources of synthetic rubber. The 25 different kinds of Polysar rubber now being produced reach almost every world market through distributors in 36 countries.

It is very likely that Polysar rubbers can bring some important advantage to *your* industry. Within the world-wide Polymer organization, there is a representative ready to advise you. A letter to the Marketing Division, Polymer Corporation, Sarnia, Canada, will put him in touch with you.

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How Big Your 1959 Wage Bill?

Look for tough union drive for higher wages . . .

By RAY MAGLADRY and CLIVE BAXTER

Unions want more in 1959.

The drive for bigger wage packages could be stronger than last year.

It will gather full steam if business continues its uptrend into the summer.

Top labor officials here and in U.S. are already talking tough. Their line: "Bigger pay brings more prosperity for everyone."

The 1959 labor pattern is likely to reflect this continuing wage race, the cost push to more inflation, rather than major, headline-making hot spots in key industry sectors.

Most of our big industry contracts were settled last year.

One thing looks certain: Management will face the knotty problem of steadily rising labor costs.

Last year's recession saw unions unwilling to accept any policy of wage restraint in all but a handful of cases.

While some top labor officials privately urged less ambitious demands, they've changed their tack completely for 1959. Canadian Labor Congress officials have made that clear.

But troubles along the labor front this year aren't likely to match the dismal 1958 time-loss record.

That was one of our worst postwar years: 2.8 million man-working days lost through industrial disputes, up 75% from 1957, about the same as 1952 but below the peak of 4.5 million days set in 1946.

Contracts involving half a million workers were threshed out at bargaining tables last year.

In key industries, labor peace was bought for two and three-year terms.

The cost: Wage gains generally of 6c to 9c an hour yearly.

Here's how higher costs have been built into some key agreements:

- **Auto labor** pattern set by **General Motors** contract, with pay gain of 18c an hour over three years, part of an over-all package estimated at 22.5c an hour.
- **Non-operating rail labor** 14c an hour, a settlement that hiked freight rates by 17%.
- **Wage hikes** of 11½c an hour for Sudbury nickel mine and smelter workers, spread over three years.
- **Pattern of 26c-27c an hour gains** in three-year contracts set in our basic steel industry.

In past year, average weekly wages in Canadian manufacturing climbed from around $65.65 to $67.48, mining wages rose from $81.30 to $82.56, steel industry wages were up from $76.28 to $78.50 in late 1958.

Over the past 10 years, average weekly pay in manufacturing has risen 75%, steel about 70%, mining 67%.

With the pay raises have gone more liberal working conditions and a variety of fringe benefits.

Fringes, excluding holiday pay, have risen around 33% in last 10 years according to figures in a survey by the Canadian Manufacturers' Association.

These benefits account for an estimated 7%-8% of total payroll in Canadian industry.

Fringes are likely to continue to be stressed in union approach to bargaining, including devices to cushion effect of layoffs.

Here's how labor-management talks shape up in 1959:

Steel: The pattern has been set in basic steel by **Algoma** and **Stelco** settlements. Contract at **Dosco** comes up for renewal at mid-year and **Dominion Bridge Co.** agreements expire this April.

Forecasts are for a fairly peaceful year.

Steelworkers Union will enter Dominion Bridge talks with over-all objective of getting a master agreement worked out through corporation-wide bargaining.

Union is looking for wage boosts, particularly in Ottawa and Amherst, N.S., plants, improvement in pension and insurance plans.

Mining: Several potential hot spots, plus a continuing tug-of-war for allegiance between Steelworkers and weakened Mine, Mill & Smelter Workers. Gold and base metal mines look like possible sources of trouble this year.

Negotiations in northern Ontario gold fields still haven't produced settlements at **McIntyre Porcupine** and **Hollinger Consolidated.**

But the ill-timed Mine-Mill strike of **International Nickel** at Sudbury and Port Colborne is still fresh in minds of union officials.

This could be a factor in mining labor's attitude this year.

In B. C., new agreement is to be negotiated at **Consolidated Mining & Smelting**, with Mine-Mill union demanding 10c an hour pay hike and company-wide agreement for all operations in the Kootenays, rather than separate contracts.

On the east coast: Labor troubles are flaring in Newfoundland.

Newly arrived International Woodworkers of America is carrying a strike against logging operations of two major pulp and paper producers.

It's hitting hard at Newfoundland's economy, already staggering under cutbacks in fisheries and woods industries.

On the Great Lakes: Watch for stepped-up demands on the docks as unions jostle for strength.

In Toronto, talks are getting under way covering longshoremen represented by International Longshoremen's Association.

The pattern that emerges could have a big bearing on other upper lake ports where the AFL-created International Brotherhood of Longshoremen represents workers.

IBL was formed to stall the alliance of Hoffa's Teamsters and ILA.

Oil and chemical: This was one of last year's toughest bargaining areas, with last-minute agreements to stave off walk-outs.

It's still a simmering hot situation in early 1959.

Right now, **Polymer Corp.** in Sarnia is facing union pay raise demands of around 10%.

The rub: Polymer, a world competitor, has recently slashed prices in face of stiffer world market competition.

Non-unionized **Imperial Oil** refinery at Sarnia has granted pay hikes of 8c-13c hr. this year.

The railways: Canada's railways are enjoying a brief breathing spell in their tortuous rail-labor relations.

Negotiations are still under way between the diesel firemen and both **CPR** and **CNR.**

In CPR's case a conciliation board is now being set up to hear the wage dispute, but Ottawa has ruled it cannot look again into the troubled question of firemen on diesel locomotives.

The last week of August will see the giant 150,000 non-operating railwaymen's union presenting fresh demands.

Although covered by a two-year contract, the present one was only signed last November —a year late—and comes up again Jan. 1, 1960.

Another series of wage demands will set the pattern for all the rest of rail labor and wipe out the advantages of the recent freight rate increase.

Pulp & Paper. The two-year, 5c-an-hour pattern has now been accepted by all major companies that negotiate with International Pulp & Sulphite Workers union — except **Bowaters** which is still in dispute over some local issues.

The Quebec companies that deal with CCCL affiliates, however, face a stiffer demand.

The syndicates are asking for an increase that will bring their wages in line with those granted to the international union — entailing a 10c to 15c-an-hour boost.

Observers feel this may cause some friction, but the industry looks set for fairly calm sailing this year, with new contracts coming up in 1960.

Textiles: Most important item on the textile-labor field is the dispute between **Dominion Textile Co.** and the CLC and CCCL unions that it bargains with.

The unions want a 20c-an-hour boost, company wants a wage cut or at least the status quo retained.

Now in arbitration, the outcome of the dispute will go a long way to setting the trend for smaller contracts due this year and the bigger ones due in 1960.

Aluminum: This promises to be a quiet front during the year. Neither **Aluminum Co. of Canada** nor **Canadian British Aluminium** has smelter contracts due in 1959.

CBA's base rate goes up this year to $1.70 an hour. Alcan's Kitimat operation pays $2.01½ and Arvida $1.85 plus an increase to be settled on following a joint company-union job evaluation survey.

Alcan has two contracts coming up at fabricating plants in Kingston and Vancouver covering 1,500 workers.

Aircraft Industry: There could be trouble brewing here.

At **Canadair** the machinists' union representing 5,100 workers has asked for conciliation.

Union wants a 15% wage hike, company has offered 5c—about 2.5%. Union also wants a number of fringe benefits.

Companies, feeling the pinch of reduced defence spending, are not in a mood to meet union demands.

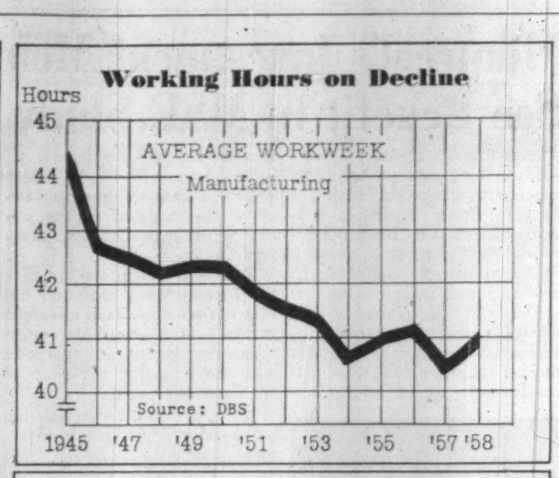
In B. C.: Labor-management troubles are probably more acute than anywhere in Canada.

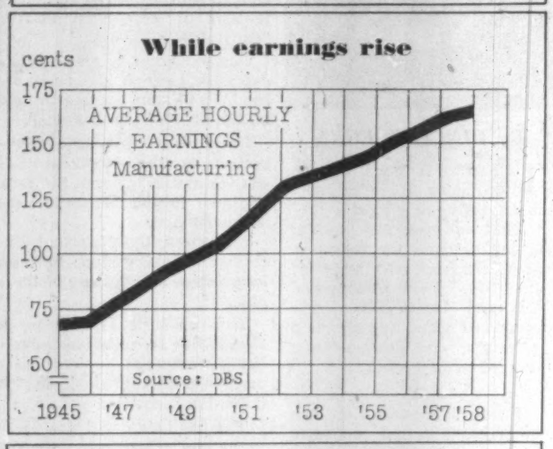
Wage structure is relatively high, unions are generally of the militant kind.

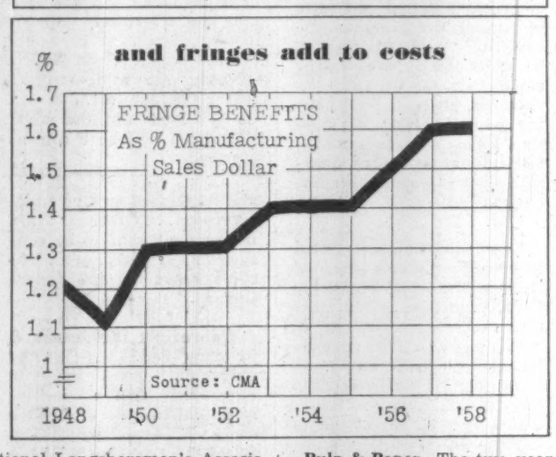
Overriding the bargaining picture, however, will be a test of strength between unions and government.

The latter, backed by industry groups, is taking a stiffer stand in its approach to labor problems.

The government is believed to have new labor legislation planned which would curb union power. The unions are gearing to fight back.







Higher Costs, Strike Delays Cut C-I-L Profit by 40%

MONTREAL (Staff) — Net profit of **Canadian Industries Ltd.** for 1958 dropped 40% to $5,170,000 ($8,662,000 in 1957), equal to 58c (98c) a share.

In a preliminary report to shareholders, President Peter C. Allen attributes the drop to higher manufacturing and distribution costs; and to strikes at the plants of important suppliers and customers and one of company's plants.

Consolidated sales of C-I-L and its subsidiaries were $140,756,000 ($142,653,000).

Operating and equipment difficulties at the company's Millhaven ammonia plant prevented sustained output. Start-up costs of other plants and expenses for development of Terylene polyester fibre continued at a high level.

Domestic sales of polythene and Terylene improved but exports were greatly reduced.

Interest charges were doubled as a result of a $20 million debenture issue in December, 1957.

Income taxes were reduced by $1,416,000 in 1958 and $2,079,000 in 1957 through claiming for tax purposes greater depreciation than is charged in the accounts.

	1958	1957
	$000	
Consolidated sales ...	140,756	142,653
Operating income	9,723	14,113
Add: Invest. inc.	194	71
	9,917	14,184
Less: Debenture Int., discount & exp. ..	2,157	1,124
Income taxes	2,194	3,967
	5,566	9,093
Subsid. min. int. ...	396	431
Net profit	5,170	8,662

Cubans Having Tough Time Keeping Ship Line Afloat

MONTREAL (Staff)—Future of **Browning Cuba Lines** — which last year loomed as a major competitor for Canada's big **Saguenay Shipping Ltd.** in the Canada-Caribbean shipping lanes—appears uncertain.

- **Start-up of operations,** tentatively scheduled for last September, has failed to materialize.
- **Browning Cuba has closed its Montreal office,** opened shortly after acquisition of eight former **Canadian National Steamship** vessels.
- **Three of the ships — two in Halifax and one in Baltimore — have been "arrested"** allegedly in default of $10,000 owing **Monstad & Co.,** Halifax, N.S., ship chandlers.

Shipping circles in Montreal say there has been virtually no news regarding Browning Cuba's proposed operations since initial sailing plans published by the company were cancelled.

CNS, former owner, appears well protected as far as the $2.8-million purchase price of the ships is concerned.

Down payment of $560,000 was made at the time of sale. The balance is payable in equal annual installments starting this August.

Outstanding balance is secured by letters of credit from Banco Cubano del Commercio Exterior, confirmed by Bank of America (International).

Nova Scotians Want to Open New Coal Mine

From Our Own Correspondent

NEW GLASGOW, N.S. — A newly-formed citizens' development committee will press for provincial legislation canceling the **Dominion Steel & Coal Corp.** lease on coal land in Westville.

The move is aimed at opening of a new mine in Westville to tap what is regarded locally as one of the best coal seams in North America.

The committee will also seek a meeting with Crawford Gordon, president of Dosco's parent, **A. V. Roe Canada Ltd.,** failing this, a mass meeting of Pictou County residents is contemplated.

Committee officials claim that Dosco's price for the lease discouraged a group that wanted to open a prospect mine in the area some time ago.

Expert studies of the mine, sponsored by the Nova Scotia government in the past, have not substantiated the local opinion of the mine's value.

New Snorkel Box To Offer Curbside Mailing Service

Motorists will soon be able to post letters without leaving their cars.

New "Snorkel" type devices are to be fitted on city mail boxes for easy depositing of mail from cars, Postmaster General Hamilton announces.

This service will be offered where demand warrants it.

The Post Office Department has been experimenting with various types of curbside boxes for some time.

Kapoor Sawmills Deal Finalized

From Our Own Correspondent

VANCOUVER—British Columbia Forest Products announced this week it had completed the long-awaited deal to purchase the Vancouver Island assets of **Kapoor Sawmills Ltd.**

Assets include about 15,000 acres of timberland in Koksilah drainage area, west of Shawnigan Lake, plus camp buildings, campsite and logging equipment.

C. D. Dickey, Jr., president of **BCFP,** declined to give any estimate of purchase price.

Kapoor Singh Sidoo, principal shareholder of Kapoor Sawmills Ltd., journeyed to Vancouver from India expressly to complete the transaction.

ABITIBI POWER & PAPER CO. Jan. 25 had 468,876 4½% preferred shares outstanding.

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Smiling Lady, Han dynasty 206 B.C. Courtesy Royal Ontario Museum.
Charming old reminder of the ancient arts and legends of China through the centuries. Legendary too is the excellence of Lichee Garden Fine Food and refined atmosphere.
FAMOUS CHINESE FOOD TAKE OUT ORDERS
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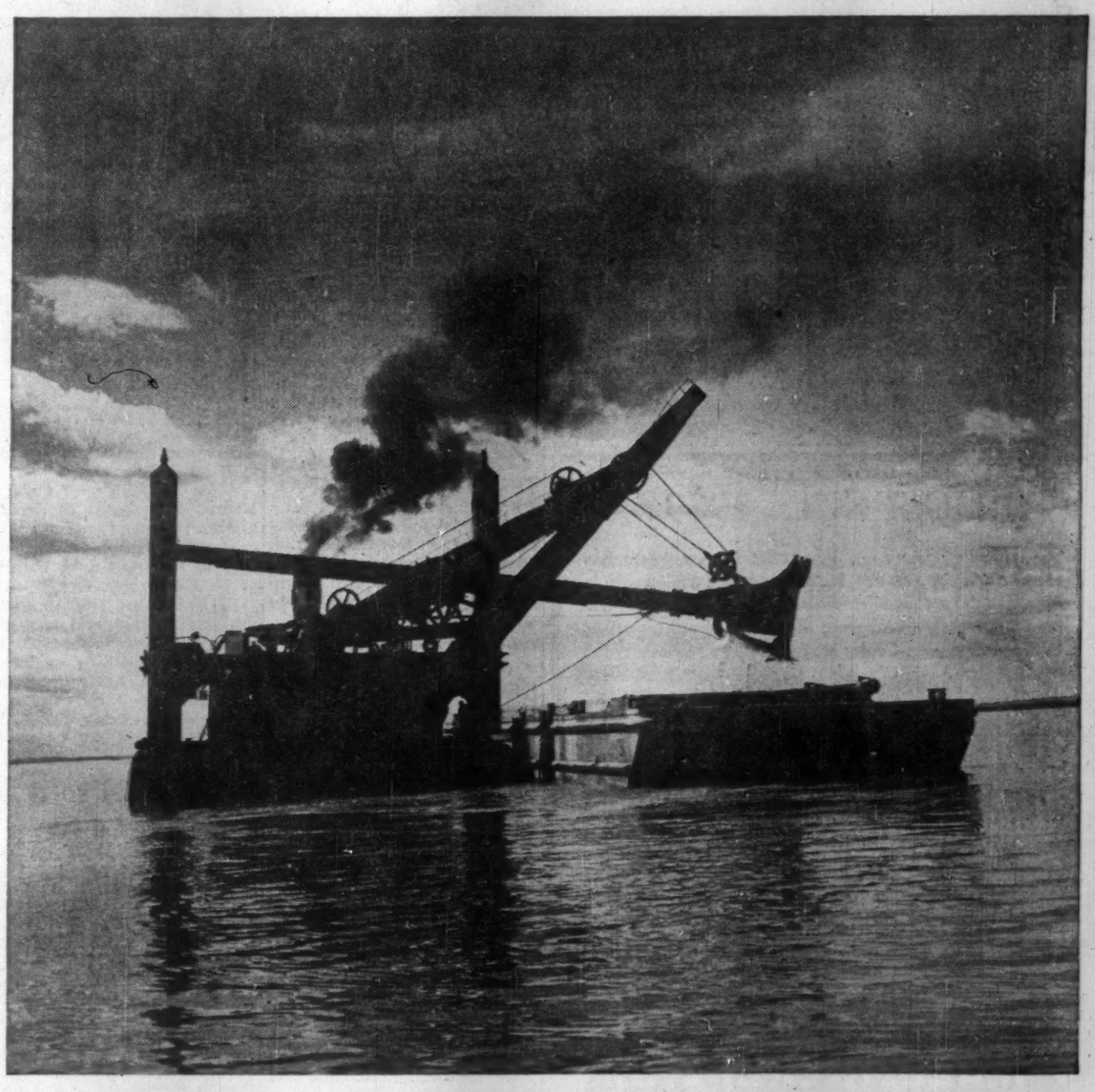

THE SEAWAY—another job for United Steel engineered equipment

This mighty dredge dipping deep into the St. Lawrence to help make the Great Lakes an "eighth sea" for world mariners . . . a steel company's giant ore unloading bridge that takes 20 tons with one bite . . . an imaginatively designed precision hydraulic press that resistance heats while it stretch straightens uranium bars; these are only a few examples of the equipment United Steel engineers and builds, and the places where they work.

Add to this; structural steelwork for bridges and buildings, steel plate fabrication, mechanical power transmission equipment, conveyor systems of all types, steel and aluminum warehouse service, castings, and sewage treatment plant equipment.

All are supplied by the United Steel family of Canadian companies where diversification finds a common denominator in "the highest quality standards".

DIVISIONS — Canadian Mead-Morrison, Welland; Dodge Manufacturing, Toronto, Montreal, Kirkland Lake, Sudbury; Farand & Delorme, Montreal; Standard Steel Construction Company, Prvt Robinson.

SUBSIDIARY COMPANIES—Gilbert Bros. Limited, Toronto; Toronto Foundry Co., Toronto; London Steel Constructing Co. Ltd., London; United Steel Sales Limited, Toronto, Galt; United Aluminum Sales Ltd., Toronto, Galt. 59-10

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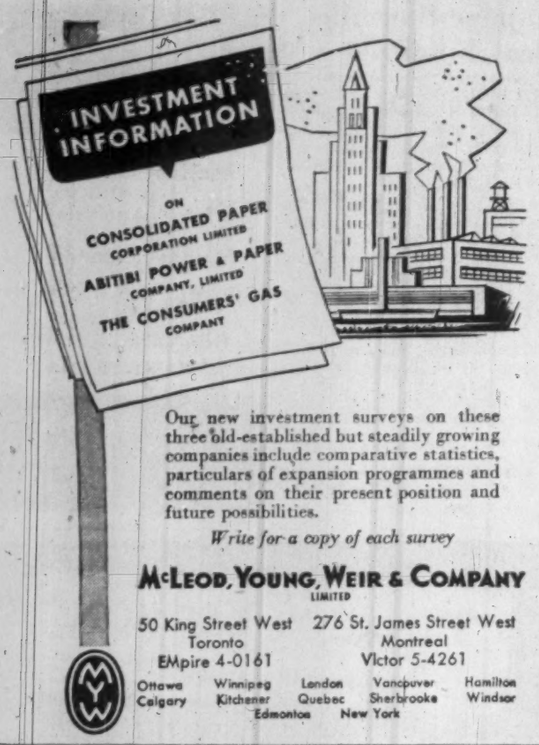

Our new investment surveys on these three old-established but steadily growing companies include comparative statistics, particulars of expansion programmes and comments on their present position and future possibilities.

Write for a copy of each survey

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Gold Bars Quoted

Rate Reported by Doherty, Roadhouse & Co., Toronto.

Canadian kilo bars of gold approximately 32 oz. each.

Jan. 27, 1959.

	Bid	Asked
	per oz.	
Latest week	$34.00	$34.16
Previous week	$33.85	$34.10

ANNOUNCEMENT

NEW DIRECTOR
WATERLOO TRUST

W. J. McGIBBON, Q.C.

Mr. W. J. McGibbon, Q.C., was appointed to the Board of Directors of The Waterloo Trust and Savings Company at a recent meeting of the directors of the company.

Mr. McGibbon is the senior partner of McGibbon, Harper & Haney, Waterloo, Ontario, and is a director of The Equitable Life Insurance Co., The Waterloo Mutual Fire Insurance Co., and The News Record Ltd.

Mr. McGibbon fills the vacancy created on the board through the death of Mr. W. H. Somerville.

Shawinigan Takes Over Cdn. Resins

MONTREAL (Staff)—Acquisition of **Canadian Resins & Chemicals Ltd.** by **Shawinigan Chemicals Ltd.** will result in an integrated operation at Shawinigan, Que., where both companies have plants.

Shawinigan Chemicals will become sole owner of Canadian Resins through acquisition of **Union Carbide Canada Ltd.'s** 51% interest.

Raw materials supplied by Shawinigan Chemicals, among them hydrogen chloride, acetylene gas and vinyl acetate, have been used by Canadian Resins, licensed under patents of Union Carbide.

These licensing arrangements will be continued.

To make the purchase **Shawinigan Water & Power,** the parent company, proposes to issue not more than 125,000 of its authorized common shares to Union Carbide Canada.

Outstanding at Dec. 23, 1958: 7,417,611 Shawinigan shares.

The parent company then will transfer its interest to Shawinigan Chemicals in exchange for additional Chemicals common stock.

Union Carbide will continue to produce and sell plastics through its two divisions — **Bakelite Co.** and **Carbide Chemicals Co.**

PROSPECTS 1959?

The January issue of our Investment Review, "Prospects 1959" discusses the key factors to watch and weigh in determining the Canadian Economic outlook for 1959, and the factors likely to influence the bond and stock markets in the coming year. Copies are available on request.

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Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By RODNEY TOUCHE

Evidence of how far the market is looking ahead can be found in the price swings of a group of companies whose 1958 results have already been disclosed.

Among nine companies, five reported lower earnings. But the prices of eight are ahead of a year ago. Only one stock, **Canadian Industries,** is virtually unchanged in price. Its earnings are down from 98c per share to 58c.

The earnings drops of the big oil companies have had little effect on their stock prices, particularly as conditions for the industry have brightened in recent weeks. **International Petroleum,** on the other hand, is faced with increased income tax in Venezuela, a more lasting set-back.

The market has consistently ignored the short-term impact of last year's strike at **Stelco.**

Here are comparative earnings and stock prices:

	Earnings Per Share 1958	1957	Recent Price	Jan. 1959 High	Low	Jan. 1958 High	Low
	$	$	$	$	$	$	$
B-A Oil	1.05	1.74	43⅞	44¾	39¼	36¾	33¾
C-I-L	0.58	0.98	16¼	17	15½	17½	15¼
Dom. Electrohome	5.10	3.07	33¼	34⅝	24	10	10
Du Pont of Can.	0.70	0.60	21	20⅞	19¼	18½	16½
Ford	12.70	10.44	114¾	115	108	75	66½
Imperial Oil	1.61	2.29	44⅝	46⅝	44¼	41¼	39
Int. Pete.	1.17	2.83	38¾	43½	40	37½	34½
Massey-Ferg.	1.25	d0.61	12½	13⅜	10½	6⅜	6
Steel Co.	3.79	4.90	73⅜	76	68½	49½	45½

Finance company stocks recovered swiftly from the news of **Ford** in the U. S. re-entering the auto finance field. Recently, however, they have weakened again. **Traders Finance** is off at $39½ from year-end $43¾, **Industrial Acceptance** dropped from $39¼ to $36¾ and **Imperial Investment A** is down one and a half points to $10¾. Only **Union Acceptance** shows strength, climbing to $11 from year-end $9.

* * *

Rumors continue to circulate around **Canadian Curtiss-Wright,** especially as the company has been following a policy of diversifying. Latest rumor was that **Canadair Ltd.** was interested in taking it over, but this is convincingly denied by both companies. Trading very actively (volume of 92,488 shares last week) stock has moved from $3.10 to $4.10. This week the price returned to $3.90.

Speculative interest in **Great West Saddlery,** which pushed stock from $23¼ to $54 in eight weeks, eased recently. **Chapples Ltd.,** northwestern Ontario store chain, is said to be an object of Saddlery's attention as part of its expansion plans. Stock was trading this week at $47.

* * *

Earnings prospects are helping the stock of **T. G. Bright,** now trading at $50 from year-end $35 on light volume. Company officials acknowledge that the current fiscal year (ending March 31) is going to show an improvement on last year's $3.45 per share. Stock has climbed steadily in the last three years. So, too, have earnings ($1.60 in 1956, $2.62 in 1957).

Trading interest in **Dominion Textile** remains strong. Volume of 47,012 shares last week brought price to $11⅝, up sharply from mid-January's $9⅞. Investors may have been influenced by Ottawa's crack-down last week on second-grade imports.

Federal Grain A ($50 from year-end $43⅞) and **Calgary Power** ($89 from $79½) are also maintaining consistent strength.

National Steel Car, which dipped from $23½ to $16⅝ during the month of December, is now recovering steadily. Recent price: $19. **Coronation Mortgage,** Vancouver, at $7.50 is holding the $3 gain made on the old stock in January before it was split three-for-one.

Roe Canada Sets Pattern In Hawker Siddeley Shift

Regrouping of companies within the **Hawker Siddeley Group,** England, follows the broad outline of an earlier reorganization of the Group's Canadian subsidiary, **A. V. Roe Canada Ltd.**

The group has formed two new subsidiary holding companies. **Hawker Siddeley Industries** will acquire ownership of the Group's industrial activities.

Hawker Siddeley Aviation will take over the Group's aviation enterprises.

A. V. Roe Canada will remain a subsidiary of Hawker Siddeley Group.

Industrial and aviation operations of A. V. Roe Canada Ltd. were regrouped in 1957 (**FP,** Nov. 23, 1957), but in this case new holding companies were not established.

Instead, Roe appointed:

- An executive vice-president, administration and co-ordination (President Walter R. McLachlan of **Orenda Engines Ltd.**).
- An executive vice-president, industrial (former President A. C. MacDonald of **Canadian Car Ltd.**).
- And a vice-president, aeronautical (President Fred T. Syme of **Avro Aircraft Ltd.**).

Sir Roy Dobson, chairman of both the Hawker Siddeley Group and of A. V. Roe Canada, will hold the same post in the two new Hawker Siddeley subsidiaries.

An electrical engineer well known in Canada, Arthur Frampton, has been named a joint managing director of Hawker Siddeley Industries.

He will be responsible for the Group's electrical companies, chiefly those acquired through the merger of Hawker Siddeley Group and **Brush Group** (**FP,** May 4, 1957).

Brush Group's former Canadian subsidiaries will not be affected. They were absorbed by Roe Canada's **Orenda Industrial Ltd.** and **Canadian Car (Pacific) Ltd.** last year (**FP,** May 3, 1958).

Born in England, Frampton grew up in Canada and graduated from University of Toronto in 1925.

After 23 years with Ontario Hydro, he resigned as deputy assistant general manager of engineering in 1948 to join **English Electric Co. of Canada** at St. Catharines, Ont.

Resigning his post as vice-president and general manager of English Electric in 1952, he became a consulting engineer, specializing in engineering management.

One of his clients was A. V. Roe Canada.

114 Stocks Yield Averages 4.01%

The average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by **Moss, Lawson & Co.,** on the prices of Feb. 2, was 4.01%, off .04% from the previous week. The current yield compares with 4.09% one month ago and 5.25% in the corresponding week last year.

Here is the yield by the various groups:

	Feb. 2	Week Ago	Month Ago	Year Ago
	%	%	%	%
Common	3.64	3.66	3.75	4.85
Pfd. & A	4.77	4.75	4.77	5.25
Mining	4.58	4.72	4.68	6.56
Banks	3.18	3.16	3.17	3.85

Craig Bit Profit Is 54.7% Lower

Net profit of **Craig Bit Co.,** North Bay, Ont., for the three months ended Dec. 31, 1958, declined 54.7% to $11,832 from $26,112 in the same period of 1957.

Earnings per share were 5c (11c for the like 1957 quarter).

Net profit of $77,365 for year ended Sept. 30, 1958, was 40.5% lower than previous fiscal year's $129,983.

Latest fiscal year's profit was adversely affected by the reduction in mining throughout Canada and lower pricing, President J. A. Drain said.

Total assets at Dec. 31, 1958, were down 9% to $1,059,596. Current assets and current liabilities were down 14.6% and 57.4% respectively from a year earlier.

Working capital totaled $598,469 ($586,386 at Dec. 31, 1957).

Canada Safeway Sales Rise 5.8%

Consolidated sales of **Canada Safeway Ltd.,** for the four weeks ended Jan. 24, 1959 amounted to $16,881,930, an increase of 5.8% compared with $15,961,155 for tne period ended Jan. 25, 1958.

There were 189 retail stores in operation at that time compared with 170 a year earlier.

Montreal's Investment Men See Benefit in MSE Study

MONTREAL (Staff) — Regardless of ultimate decision, the study of merger with the Toronto Stock Exchange officially launched by the Montreal Stock Exchange last week is likely to benefit the MSE, its members and their clients.

That's the opinion of a considerable part of Montreal's investment community as the merger question (**FP,** Nov. 22) continues to be an active subject for board room debate.

The investigation, in effect, will be a stem-to-stem appraisal of the position of the exchange, its operations and prospects.

This will relate not only to the Toronto Stock Exchange but also to such matters as advances in the field of electronic equipment, security trading methods, and the changing make-up of the investing public.

No target date for completion of the study has been set. Exchange officials, however, hope it will be completed at the "earliest possible date."

The exchange is also watching with interest the move by the TSE to start trading in gold on the floor of the exchange.

No similar move is contemplated by the Montreal Exchange until demand for such facilities in the Montreal area is determined.

Meantime, the Montreal Exchange is taking steps to boost its prestige and volume of business.

This week it decided to go ahead with an ambitious advertising campaign to encourage more Canadians to invest in Canadian securities.

The campaign will use press, radio and television, may also include preparation of a film, **FP** understands. About $100,000 —already set aside—will be spent in the first year.

It is hoped that the advertising drive will be a continuing program.

Note

By VINCENT EGAN

THERE'S A good supply of money for investment in attractive new issues.

That was made clear by the strong demand for two new preferred stock offerings (**FP,** Jan. 31). Both **Consumers' Gas** and **Union Gas** 5½% preferred went quickly to a premium, and dealers were obliged to allot stock.

* * *

Provincial bonds, on the other hand, do not appear to be sharing the general firmness in the bond market. Some bondmen are hoping aloud that **Quebec** will, as rumored, place its forthcoming issue in New York — thus taking an expected $35-$40 million in selling pressure off the Canadian provincial market.

* * *

New legislation is expected to broaden the operations of **Alberta Municipal Financing Corp.** to include school, hospital and municipal capital works projects. The government-owned body may have to borrow $70 million on the open market this year to finance its program of aid to municipalities.

This apparently is an about-face for the crown corporation whose activities were suspended a year ago (**FP,** Feb. 15). Two reasons were given then — demand for capital loans had grown too big, and an easing of interest rates was indicated.

* * *

This week brought renewed rumors of early financing by **Irving Oil Co.,** which is planning a new Maritime refinery with the help of **Standard Oil of California.** A bond issue of $12.5 million or more is being suggested . . . **British Petroleum Corp.,** now establishing a chain of Canadian service stations, is also mentioned as a potential borrower . . . Other oil firms, recently reported to be considering capital issues, include **Home Oil** and **Texaco Canada.**

* * *

Wainwright Producers & Refiners Ltd. has created $650,000 6% bonds, Series B, due Feb. 15, 1969, convertible at an initial rate of $4.61 a share. Company will pledge $320,000 to the Alberta Treasury Branch as collateral security for a loan. A company officer told **FP** there is no immediate plan to issue the remaining $330,000. Recent price: $2.35.

* * *

An issue of $7 million **Hamilton** 5¼% one-to-20-year serials is being offered by **Dominion Securities.** Yields are 5.15% on one-to-sevens, 5.20% on one-to-10s, 5.32% on eight-to-10s, and 5.40% on 11-to-20s.

* * *

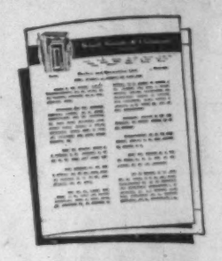
Montreal has called for tenders Feb. 9 on $18 million debentures, with coupons between 4% and 5½%, and a price no lower than 96. Included are $3 million serial debentures due 1960-69, $6.9 million sinking fund debentures due 1971, and $8.1 million sinking fund debentures due 1979.

* * *

Most investors — naturally — are making their investment decisions on the assumption that the 20% income tax credit on dividends will continue. It is one of the important encouragements to broader ownership of stock by Canadians. If it were revoked, as some rumors have suggested, it could make a painful difference, particularly in the case of **Gypsum, Lime & Alabastine** shareholders accepting the **Dominion Tar & Chemical** offer of two shares plus $14.50 cash for each Gypsum share. The offer would lose some of its attraction if the tax credit on the cash received were reduced.

* * *

Municipal financing in January totaled $9,053,060, compared with $14,619,951 in the same month of 1958, according to the monthly **Wood, Gundy** compilation. Corporate bond financing was off drastically — $3,250,000 in January of this year, $146,250,000 a year earlier.



The Canadian Bond Market

Our February "Review" features an article on the development of the Canadian bond market since 1957. The extent of Canadian government, municipal and corporation borrowing requirements during 1959 is also discussed.

The "Securities List" contains a diversified selection of government and municipal bonds and corporation bonds and shares suitable for current investment.

A copy of our February "Review and Securities List" will be forwarded on request.

Wood, Gundy & Company
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Toronto Montreal Winnipeg Vancouver Halifax
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Our
February Securities Review
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A prospectus will be promptly furnished on request

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January, 1959

Take a Look at the Market

If you could tell *for sure* what's going to happen to securities in the future, you could make a fortune. But no one can be *sure*. That's why the only prudent investment course to follow is to depend on the advice of those who have the best opportunities of analyzing individual securities and whose investment experience is broad and varied.

Such advice is available from any of our offices, supplied as they are by up-to-date statistical information from our Research Department. In recent months, more and more investors have been consulting us about the composition of their investment portfolios. Current high interest rates on corporation bonds which, under certain conditions, are non-callable offer special advantages to investors desirous of strengthening their holdings and obtaining increased income. For further information—write, telephone or visit any of our offices.

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841A

INVESTMENTS:

Know What You're Buying All Stocks Aren't Hedge

By PAUL S. DEACON

THE CURRENT rush into common stocks, and the flight from bonds, is storing up some unpleasant experiences for some people.

The sophisticated investor knows that holding well-selected stocks in a period of rising earnings and rising prices is probably a safer place for his money than bonds or mortgages.

The past year has been a good example of this.

Owners of some of the country's highest grade bonds have seen the value of their bonds drop by as much as 10%, in a period in which the value of stocks as a group has risen about 35%.

However, what people are liable to forget is that in buying a stock, they may be giving up some important safeguards that a bond offers.

For instance, if an interest payment is missed on a corporate bond, the bondholders have the right to first call on the company's assets. Companies will go to great lengths to avoid missing a payment.

If a dividend is not paid on common stock, the stockholders must accept the loss of income and hope for better things in the future. The company does not promise to pay dividends at any stated rate.

A bond represents a stated debt that must be paid at a stated time. A common stock has no maturity date.

It can be sold only at the price other investors are willing to pay for it — which may be more, or less, than the price the present owner paid for it.

Even in a period of rising stock markets, individual bonds may do better than stocks of the same company.

For instance, at Dec. 31, 1957, **Brazilian Traction** 4¾% collateral trust bonds due 1970 were $79.50 bid. A year later they were 50c per $100 bond higher, at $80. In the same period, Brazilian stock dropped 8%, from $6½ to $6.

British Columbia Power common shares were $37½ each at the end of 1957, $35⅜ a year later. In the same period, the 3¼% bonds (due 1967) of its subsidiary **B. C. Electric** moved up slightly, from $87 to $87½.

The Brazilian and B. C. Power cases are exceptions, of course. The stocks of most leading companies were a better hold over the past year than their bonds.

It so happened that in the case of these two, a drop in dividends brought about by Brazil's exchange problem, and a public wrangle over the power situation in B. C., helped depress the shares while their bonds stayed steady.

The selection problems of the investor go beyond deciding whether one should buy a bond or a stock. The stocks of some companies are far superior to the bonds or preferred stocks of some others.

The misguided ideas of some investors about the nature of the securities they hold lead to misunderstanding and loss in many instances.

A letter from a reader the other day complained bitterly about the "trap" he had fallen into by buying a preferred stock now several years in arrears on its dividend payments.

He felt that the company should sell part of its assets in order to pay the arrears.

What he ignores, of course, is that the company has a large deficit, and is in no position to pay anything on the shares. It could not pay money to preferred stockholders even if it wanted to.

The claims of the holders of its bank loans and other debt would come first even if it manages to extricate itself from its deficit position.

Preferred shareholders rank ahead of the common if money is available for dividends, but this preference is of doubtful value if there are not earnings with which to pay dividends.

Only if the company's fortunes revive will the cumulative feature of a preferred stock mean anything.

A stockholder is an owner, not a creditor. He should be aware of the nature of his position.

He should know that while common stocks may go up faster than bonds, they come down faster too when conditions change for the worse.

In the case of a preferred stock, he may have a coupon rate higher than on bonds, but the risk of no payment is greater.

Above all, just buying any stock won't assure him of a reliable inflation hedge, if the business itself doesn't prosper.

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As original underwriters of these securities, we recommend their immediate conversion into common shares, and will be pleased to attend to all details without charge.

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Profits Here?

A regular listing of latest studies by investment firms.

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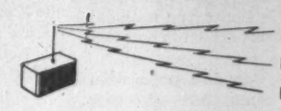
ST. LAWRENCE CORP.—Thomson, Kernaghan & Co., 67 Richmond St. W., Toronto.
NORTHERN ONT. NATURAL GAS CO.—Graham, Armstrong Securities Ltd., 437 St. James St. W., Montreal.
ALASKA-YUKON REFINERS — H. C. Flood & Co., 620 St. James St. W., Montreal.
PATINO OF CANADA—R. H. Scarlett & Co., 11 Adelaide St. W., Toronto.
WESTERN CANADIAN OILS — James Richardson & Sons, 173 Portage Ave. E., Winnipeg.

Radar-Eye
Ends the threat of burglary



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The foolproof radar system eliminates the need for old fashioned wiring, showing nothing for an intruder to cut or tamper with. Depending on your choice when installing, the alarm will be sounded on the premises, at the nearest police station, or at a central security guard panel. A fire detection feature may be added at the same time.

Radar-Eye is economical to install—uses less current than a 60 watt bulb. Only one low cost for you—or monthly rental charges.

A free demonstration will show you why many firms who have installed Radar-Eye are now enjoying reduced insurance rates. Write today on your letterhead or use this convenient coupon.

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ANNOUNCEMENT

C.A.C. EQUIPMENT FINANCING DIVISION

M. HOWARD BAILEY

The appointment of M. Howard Bailey to Regional Supervisor for Montreal and Quebec City, has been announced by C. E. Trudeau, Vice President and General Manager, Equipment Financing Division of Canadian Acceptance Corporation Limited.

Mr. Bailey, who has an enviable record of customer service with C.A.C., will make his headquarters in Montreal.

Dividend Changes

IMPERIAL FLO-GLAZE PAINTS—Common, 37½c, payable March 2 to holders of record Feb. 18; ex-dividend Feb. 16. Total payable to date in 1959, 37½c; total paid to same date in 1958, 32½c; total paid in 1958, $1.30 plus 10c extra. Recent price: $31¼.

INTERNATIONAL PETROLEUM — Common, 30c (U. S. funds), payable March 10 to holders of record Feb. 10; ex-dividend Feb. 6. Total payable to date in 1959, 30c; total paid to same date in 1958, 38c; total paid in 1958, $1.40. Recent price: $40.

MONTREAL TRUST—Common, 30c plus 30c extra, payable April 15 to holders of record March 31; ex-dividend March 25. Total paid or payable to date in 1959, 60c plus 30c extra; total paid to same date in 1958, 60c plus 20c; total paid in 1958, $1.20 plus 20c. Recent price: $46.

PHOTO ENGRAVERS AND ELECTRO. — New common, 25c, payable March 2 to holders of record Feb. 16; ex-dividend Feb. 12. First following five-for-one stock split. Recent price: $16½.

SOUTHAM CO.—Common, 60c payable March 28 to holders of record March 13; ex-dividend March 11. Total payable to date in 1959, 60c; total paid to same date in 1958, 50c; total paid in 1958, $2. Recent price: $69¾.

UNION ACCEPTANCE — Common, 7½c payable April 1 to holders of record March 13; ex-dividend March 11. Total paid or payable to date in 1959, 12½c plus 15c; total paid to same date in 1958, 10c plus 10c; total paid in 1958, 20c plus 15c. Recent price: $10½.

HENRY MORGAN—Common, 25c payable March 2 to holders of record Feb. 12. Total payable to date in 1959, 25c; total paid to same date in 1958, 22½c; total paid in 1958, 90c. Recent price: $28½.

The Pacific Gateway to Oriental Trade

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MAY 5—22, 1959

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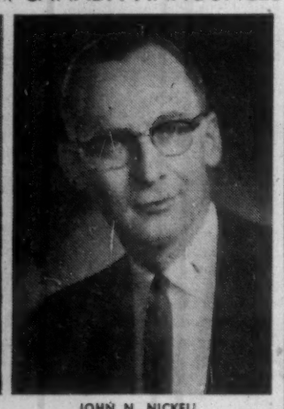
ANNOUNCEMENT

MATERIALS HANDLING IN CANADA ANNOUNCES

STEWART R. CONWAY



JOHN N. NICKELL

The monthly business publication—Materials Handling In Canada, now owned and published by Maclean-Hunter Publishing Company Limited, announces the appointment of Stewart R. Conway as Manager and John N. Nickell as Editor of this important publication serving this fast-growing industry. Mr. Conway has been with Maclean-Hunter for the past nine years and served latterly as Advertising Manager of Civic Administration. John N. Nickell first joined Maclean-Hunter 16 years ago and has served as Managing Editor of several technical business publications. He also spent some years with Maclaren and Ronalds advertising agencies before joining the Provincial Government as Chief of Information Services for the Department of Planning and Development, Toronto.

Their substantial experience in Canadian industry and publishing will assure great progress for Materials Handling In Canada.

Trust Firms Deny Charges Of Insurance 'Favoritism'

By H. R. SUYDAM

Are certain loan and trust companies forcing fire insurance companies to do business with them?

This is the gist of a charge made in the Canadian Senate last week by Senator William D. Euler in introducing a private bill to grant federal incorporation to the **Waterloo Mutual Insurance Co.**

Senator Euler said that many trust companies, and perhaps some insurance companies, which make mortgage loans have a preferred list of general insurance companies, and that when an application for a loan is made they will refuse it unless the borrower's property is insured with a company on this list.

The lending companies, he said, will put an insurance company on this list if it buys the loan or trust companies' debentures, usually in the form of a guaranteed investment certificate.

Trust companies canvassed by FP claimed the Senator was flogging a dead horse.

Years ago, they said, it was common practice for lending companies to have a list of approved insurance companies.

These companies were chosen primarily for their solvency and ability, and not infrequently they were required to buy some of the lending companies' securities.

Nowadays, lending companies no longer need lean on insurance companies for business, they said.

One trust company official admitted that his company did have a preferred list, and insurance companies had to buy their securities to get on it.

But he denied that the list had any bearing on the refusal or acceptance of a mortgage loan application.

He did say, however, that when an insurance policy ran out during the term of the mortgage, his company would suggest it be renewed with a listed insurance firm.

A trust company spokesman pointed out that in the few cases where loan applications are turned down because of insurance already on the property, it is usually due to some feature of the insuring company that the mortgagee objects to.

There could be a number of valid reasons. Solvency of the company; its record in settling claims.

After all, they say, it's our money and we have to see that it is well protected.

Senator Euler told **FP** that his remarks on the practices of certain trust and loan companies were made casually in the introduction of his bill but that they were prompted by the recent refusal of a loan to a borrower insured by a company with which he is connected.

Masters Smith Closes Doors

The **Masters, Smith** investment firm in Toronto has closed its doors.

Gordon K. Masters, head of the former underwriting and brokerage house, told **FP** that the closing is intended to be temporary. "The public is not affected," he said.

Over the past year or so, interests held by the Masters, Smith group in several companies have been disposed of.

Control of the **Mindustrial Corp.** group of companies, which includes **Maxwell Ltd., Copp Clark Publishing Co., Ash Temple Ltd.,** and **Hendershot Paper Products Ltd.,** was sold in March, 1958 to a group headed by W. P. Walker of Toronto and W. H. Butler, Preston, Ont. **Geo. H. Hees Co.** control was sold to **Great West Saddlery Co.** last year. Shares held in **S.K.D. Manufacturing Co.** were sold to the public, Mr. Masters said.

A minority interest has been retained in one or two companies, including **Galt Malleable Iron Ltd.,** he told **FP.**

The Masters, Smith firm formerly was a member of the Investment Dealers' Association of Canada and the Toronto Stock Exchange. The firm sold its TSE seat in January, 1958 for $75,000.

Ford Profits Rise 21.5% Despite a Sag in Sales

Consolidated net profit of **Ford Motor Co. of Canada** in 1958 amounted to $21,062,315, an increase of 21.5% on the $17,332,654 earned in 1957.

Earnings were equivalent to $12.70 per common share (class A and B combined) compared with 1957's $10.44 per share.

The higher earnings were achieved despite a drop in consolidated sales of 5.7% from $491 million to $463 million. Unit sales amounted to 183,879 compared with 199,395.

The improved ratio of profit to sales was the result of reductions in manufacturing costs and "significant improvements in operating methods and procedures," states Rhys M. Sale, president.

Improvements came largely from Canadian operations, which yielded increased income despite a drop in car sales of 16.4% and a drop in production of cars and trucks of 21%.

Sales of cars imported into Canada from Ford in the U. K. (not a subsidiary of Ford of Canada) increased 73.1% over 1957.

Earnings of overseas subsidiary companies were unfavorably affected by a drop in sales in the second half of 1958. New car sales by overseas subsidiaries were down 5%.

Shareholders' equity in Ford of Canada and its wholly-owned subsidiaries (including companies in South Africa, Australia, Malaya and New Zealand) was increased by $12.7 million to $204 million at the end of 1958.

Equity is equivalent to $123.38 per share compared with $115.68 per share at the end of 1957.

Foreign Exchange Rates

Noon Value in Canada
Week Ended Feb. 3, 1959

	U.S.$	U.K.£
Wed.	.96 24/32	2.71 10/16
Thurs.	.96 26/32	2.71 14/16
Fri.	.96 30/32	2.72 4/16
Mon.	.97 3/32	2.72 12/16
Tues.	.97 6/32	2.73 1/16
Ave.	.96 153/160	2.72 25/16

U. S. rate reported by Bank of Canada.
U. K. bid rate reported by Toronto-Dominion Bank.

SAVINGS AND INVESTMENT CORPORATION

Distributors of the Shares of
SAVINGS AND INVESTMENT CORPORATION
MUTUAL FUND OF CANADA LTD.

Branches in the main Cities of Eastern Canada

TO ALL OUR CLIENTS

We are happy to give our clients a resume of the activities of our Company ended as at November 30th, 1958.

A study of our 30th annual financial report shows an increase in assets of approximately $2,000,000. to reach a new high of $15,030,742.

First mortgages on real estate totalled $6,689,810. whereas investments in stocks and bonds amounted to $6,145,795.

Technical reserves are recorded $13,662,313. while capital, reserves and unapportioned surplus amounted to $1,262,144.

Due to the co-operation and endless efforts of all our representatives in the six provinces of Eastern Canada, sales of investment certificates attained $23,500,468. in 1958.

We wish to extend a vote of thanks to all our certificate holders for the utmost confidence they place in our Company, and to assure them that we will always be at their disposal for any help or information they may require.

THE MANAGEMENT

Behind the Headlines

Heavy emphasis on the total number of unemployed in Canada is concealing some extremely important features of the current situation that can only be understood by looking at the way in which the total is made up.

First, very few of the unemployed are women. Of the 440,000 Canadians counted as "without jobs and seeking work" in the December labor force survey, only 46,000 were female. This does not mean that personnel supervisors have suddenly developed partiality for women workers. It does mean that most of the job opportunities open at the moment are in clerical, office, sales, and light factory work in which women normally form a high proportion of the labor force.

Second, many of the unemployed are over 40—the watershed age, after which it is traditionally more difficult to become established in a new line of work without accepting sharp downgrading. Of the 1,717,000 persons between 45 and 54 years in the labor force in December, 104,000 were without jobs and seeking work.

Third, a discouragingly high percentage of those applying for work at NES offices are either unskilled, or skilled in a trade or occupation which is declining. The impact of rapid technological change, masked until now by the extremely high level of employment, is becoming clearly visible.

The point of these figures is this: There is much more to the current employment problem than lack of jobs, as such. A general increase in the level of business activity will not necessarily provide jobs for the people now out of work; though it will increase the competition for skilled or teachable people to handle white-collar or high-proficiency jobs.

What is promptly needed is a comprehensive and efficient system of retraining and relocation for the jobless, and a recognition on the part of those who lose their jobs that they may have to accept a move, or a change of occupation, in order to be rehired.

The government cannot take as its goal the replacement of each unemployed person (over and above the normal 3% of the labor force) in precisely the same type of job he had before the recession began.

To achieve this would require either a dangerously rapid over-expansion of the Canadian economy—to force the pace of rehiring—or a policy of shoring up declining industries and occupations. This would simply be a legalized, nationwide feather-bedding.

Either of these policies would impose strains in the economy which would in the end defeat their purpose. The only way to solve the current job problem without incurring this risk is to approach it directly, as a problem of specific individuals and groups. No scatter-shot remedy will meet the need.

The Heart Disease Fight

This month the Canadian Heart Fund is making its second annual appeal for funds. The national objective is a little more than $1 million, of which Ontario is asked to subscribe $425,000.

In this province 90% of the money will be spent on research, the remainder on clinics and public education. The proportions will be roughly the same in other parts of the country.

This is the most serious menace to life and health in Canada. Heart disease kills 65,000 Canadians every year, about half the total deaths from all causes.

Still more significant are figures showing that, in a period of steadily improving national health, the toll taken by heart ailments scarcely declined at all.

In the years 1930-56 Canada's population increased 57.7%. In the same time aggregate annual deaths rose by only 20.7%, striking evidence of greater average longevity and the conquest of some old enemies by medical science. But deaths from cardio-vascular disease in 1956 were up 55.2% from 1930, an increase roughly equal to that of the population.

Heart disease strikes down men and women at the peak of productive power—40% of its victims are in the 35-54 age group. It disables thousands more than it kills.

There should be a ready and generous response to this appeal.

Mr. Fulton Makes It Clear

Justice Minister Fulton's blunt and forceful warning to Washington to stop meddling in what are purely Canadian economic affairs is a welcome departure from the habit of feebleness in our diplomatic protests which has been getting us exactly nowhere. In his New York speech, Mr. Fulton made it perfectly clear that companies operating in Canada, regardless of ownership or origin, are subject to Canadian law only. (See page 11).

Mr. Fulton charged that the recent U. S. anti-trust action against U. S. companies and their Canadian subsidiaries constitutes more interference in commercial affairs in Canada "than is fitting or acceptable;" that it interfered "directly, substantially and deliberately with matters that are essentially Canadian commerce in Canada." Such cases, Mr. Fulton added, "appear to illustrate a tendency apparent in the field of foreign affairs, as well as anti-trust, for U. S. authorities to regard foreign subsidiaries of U. S. parent companies merely as projections of U. S. trade and commerce" and thereby subject to U. S. policies, laws and customs.

Some U. S. congressional committees, and some departments of the U. S. government think of American branch plants or subsidiaries operating in Canada as being in exactly the same category as American branch plants or subsidiaries operating say in California, Alaska or Kansas. They do not seem to realize that Canada is a foreign and independent country.

It is to be hoped Canadian officials follow Fulton's example when necessary. In the past, our people have usually been too namby-pamby.

The Answer to Khrushchev

The West needs a new economic strategy, far bolder and far more expensive than anything now contemplated. So argues the world-famous Barbara Ward, British economist and writer, in the current Atlantic Monthly. She makes a case which looks unanswerable.

The Western powers are indeed mapping a fresh approach to foreign aid but their thinking is feeble and inadequate for two reasons. They are merely reacting, as in the military field, to a Communist initiative—Russia's declaration of economic war. And they are under the absurd delusion that this would be a cosy, self-regulating world rolling along merrily, with the West in command as for centuries, if only the Communists would stop meddling and being so aggressive.

In fact this is a revolutionary world of violence and catastrophe, a world in the midst of a hurricane not seen since the Roman Empire collapsed. But Communism is not the real cause of the disturbance. What is happening is that while the global population is growing at an explosive rate (it will be doubled in 40 years) the technological, medical, scientific, industrial, nationalist and popular revolutions have suddenly struck Asia, Africa and parts of Latin America like a whirlwind.

All these revolutions began in "the West." They would be shaking and remaking the rest of the world right now, says Miss Ward, if Karl Marx had never left the British Museum. Communism merely offers the peoples in turmoil a set of patterns and techniques by which quick economic results can be achieved through regimented labor, forced saving and so on.

This is the true nature of the world crisis that faces Western man; and the revolution going on in the "underdeveloped" lands he used to dominate is a necessary revolution. Universal chaos will ensue if population continues growing as now and the benefits of science, technology and industry are not speedily brought to the nations that lack them.

Confronted by a world in flux, the Western powers are heading for disaster if they suppose that their mission and their job is nothing more than to "combat communism" by military preparedness, diplomatic manoeuvre and economic competition perhaps to the extent of matching Soviet aid dollar for dollar.

Certainly the objective of Western strategy must be to organize, so far as possible, free and non-Communist industrial societies in Asia, Africa and elsewhere. But this cannot be done by piddling half-measures or within normal budgetary limits.

Something like a second Marshall Plan is what is required, Miss Ward thinks, but she would make it international, with all the wealthy nations contributing, instead of keeping it an American venture. She points out, too, that helping to restore a single, developed industrial region—Western Europe—is one thing. But to encourage the beginnings of industrial growth in many different parts of the world is quite another. The Marshall Plan started with its duration and budget fixed approximately. No limits could be placed upon Miss Ward's scheme in advance, except the yearly capacity of beneficiary countries to use capital.

Miss Ward has not overstated her case. The challenge she describes, still a peaceful one, is likely to prove more critical and decisive in human history than either of the World Wars. Whether the governments of the West will rise to the occasion remains to be seen.

What Civil Defence Plans?

According to Lieut.-Gen. C. R. Huebner, director of civil defence for New York state, in five years' time most Americans will be living in fallout shelters and catching glimpses of sunshine only as a calculated risk.

It is permissible to doubt this gruesome forecast but it may be true within five years that fallout shelters will be available in emergency to "most Americans."

Expert opinion is moving toward the view that, if any form of civil defence against nuclear weapons is feasible, shelters are to be preferred. A committee of the U. S. Congress, known as the Holifield committee, came to the conclusion that fatal casualties in atomic attacks on American cities could be reduced about 75% by ordinary shelters, about 95% by shelters offering full protection against blast, heat and radiation.

The committee also calculated that the cost of providing shelter for all Americans would be anywhere from $10 to $60 billion.

Taking the higher figure and dividing it by ten, this gives $6 billion as a possible figure for Canada—a stupendous price.

Whatever the Canadian government's plans may be, they should be revealed at this session of parliament. This country is now spending about $7 million a year on what is called "civil defence" with no observable results except periodic meetings of enthusiastic amateurs to engage in drill and hear speeches.

The Canadian public has arrived at the opinion that the plans, now described as official, for evacuating the entire populations of large cities are so absurd as to be farcical. If these proposed withdrawals were ordered on the announced approach of a bomb, they would be far too late. If carried out on the outbreak of a war, they would bring the nation's life and war effort to a halt. Do we get ready to fight a war by emptying all our centres of production for an indefinite period?

The government should let the people know whether evacuation plans are still theoretically in force and, if not, what it thinks of the shelter plans that have been seriously discussed in the U. S.

Out of the Woods, Too

For the first time in the history of one large Ontario pulpwood company no horses were used in woods operations last year. And other companies, it is officially reported, are quickly replacing the last of their work animals with modern machines. Thus, the only remaining place where a substantial amount of original horsepower was used, is now vanishing.

Until a few years ago thousands of heavy horses were used for getting logs out of the bush. At one time this market was as important as that provided by cartage companies operating in the cities. But it's practically gone now and with trucks and tractors replacing horses everywhere else it would not be surprising if the next generation will never see a Clydesdale, a Percheron or a Shire although they have been working with man ever since they carried the first armoured knights into battle.

Napier Moore's Scratch Pad

HON. RAY LAWSON (former Lieutenant Governor of Ontario, former Canadian Consul General in New York) and his wife, Helen, have a winter home in Miami, Florida. It overlooks a channel, or lagoon, which goes to the sea.

A few nights ago, the Lawsons were spending a peaceful evening when a powerful flashlight played on their window. It persisted and taking it to be a signal of some sort they went out to investigate. In the channel lay the beautiful power yacht Oceola, of Toronto registry, used in the south by its owner, Mrs. James Norris, an American friend of the Lawsons.

Mrs. Norris hailed them and said, "Come on with us to Nassau. Get ready in half an hour." The Lawsons said they couldn't get ready in that time; how about an hour? Mrs. Norris said that would be fine.

So it was that at the yacht haven in Nassau I sat on the after deck of Oceola and had a long chat with the Lawsons, whom I hadn't seen for quite some time.

* * *

SPEAKING OF MIAMI, the trustees of that city's university are sitting up nights studying ways of reducing its budget. It may be that "frill" departments will have to be dispensed with. The economy drive is due to falling revenues. One cause has been reduced enrolment. The other main cause of the educational headache is, believe it or not, the poor showing of the university football team, resulting in 81,766 fewer paying spectators than turned out in the 1957 season.

More than 2,000 years ago Plato said, "Let early education be a sort of amusement." He didn't extend the observation to the higher brackets.

* * *

THE OTHER NIGHT I was not at home. Which was a good thing for me. During my absence three different people (all strangers) phoned, in rapid succession. They said they were involved in a radio quiz show and needed a quick answer to the question, "Who is the present Lord Mayor of London?" They thought I'd be the only man on the island of New Providence who could tell them right off the bat.

* * *

WHEN THE BRITISH HOUSE OF COMMONS is sitting, as soon as the English newspapers arrive I immediately turn to the parliamentary reports in the hope of further tidings concerning Gerald Nabarro.

Mr. Nabarro is the Conservative M.P. for Kidderminster and is something of a kidder himself. So far as the Chancellor of the Exchequer and the tax inventors are concerned, he is a thorn in the flesh. His specialty is that of calling attention to anomalies in purchase taxes. Before the last budget he popped about 100 teasers, a few of which resulted in oddities being rectified.

This session he has tabled 70 questions. He wants to know, for instance, why there is a 30% tax on Welsh harps and no tax on pianos. The harp is the national instrument of Wales, and Nabarro says Welshmen resent such discrimination.

He wants to know why a piccolo player should be compelled to pay 30% tax on his tooter when a conductor can wave a stick on which no tax is paid.

He asks why a glass or pottery box marked "cigarettes" should be taxed 30% when exactly the same box marked "sweets" is taxed only 15%.

Other questions deal with mousetraps, fly-swatters, razors, blades and strops, all of which Mr. Nabarro thinks should be free of tax. Oh, yes—hula-hoops. Why should they be taxed when one can buy tax-free a few feet of plastic tubing joined with a dowel?

* * *

THE LERNER-LOEWE musicale "My Fair Lady," has so far made a profit of $3 million.

Earnings in the U. S. and Canada of the movie "Bridge on the River Kwai," released last year, are estimated at $18.2 million.

As you know, "My Fair Lady" is a musical version of "Pygmalion," an English story. And "The Bridge" is a British film.

* * *

EXCUSE ME A MOMENT. Someone is pounding furiously on our garden fence.

Back again. The rumpus was caused by a frantic colored gentleman. Out for a stroll, he got on to a secluded private beach which is next door to our property. The sea looked so inviting that on a sudden impulse he doffed his clothes and went in, in his underwear. He emerged to find that his trousers, left on the sand, had disappeared. He swears that while he was in the water he saw nobody on the beach.

Our occasional handyman having announced that he will handle "de sitooation," I can now get this to the Post Office.

Stop Me If—

They were unpacking their goods for a week-end's ice fishing.

"George!" thundered the massive wife as she came upon an unopened bottle of whisky, "what's the meaning of this?"

"That's all right, my dear. I brought it along to stick a candle in when it's empty."

* * *

An attractive girl at a southern beach listened to chiding words from a policeman about the brevity of her bathing suit. "What would your mother say?" he asked.

"She'd probably order me to bring it back at once," said the modern miss. "It's hers, you know."

* * *

"My wife is a remarkable cook," said the city man. "She's always trying out some new recipe. Yesterday she met a friend who had lived in the Far East who gave her a recipe for Chinese trifle. So she made it."

"What did it taste like?"

"Rice pudding."

Universal Servant

Post Scripts

Double-Barreled Drive

Top man in this month's drive to raise $1,101,124 to finance research into heart disease is Neil John McKinnon, 48, president of the Canadian Bank of Commerce.

As chairman of the National Heart Foundation's February campaign—the second "Heart Fund" campaign in the organization's three-year history—McKinnon has a double-barreled objective: (1) To get more people thinking about this number one killer and recognizing the need for more research and public information about it; (2) To educate business and individuals to give the Heart Fund priority for annual support.

MR. McKINNON

"Heart disease is first on the list of causes of death and disability. Loss from heart disease is enormous—for the economy alone it runs into many millions of dollars a year. More co-ordinated research efforts have to be financed if we're to get anywhere in this field," says McKinnon.

No house-to-house canvass is planned for most cities. But most major business concerns will be tapped directly by the campaign's provincial organizations. And individuals or organizations can make contributions through any branch of any bank and be given a receipt on the spot.

This is not the first time banker McKinnon has had his financial talents put to work on behalf of the community. When Hurricane Hazel hit Toronto a few years ago, he acted as honorary treasurer of the relief fund. And he is currently a member of the financial committee of the University of Toronto's board of governors.

McKinnon became president of the Canadian Bank of Commerce a little over two years ago when he was 45. As such he was the youngest chief executive in Canadian banking and spokesman for the country's third largest bank.

He went to work at 14 in the bank's Cobalt branch as a junior clerk. That was 1925. Four years later he was brought into the bank's head office in Toronto "and I've been a resident ever since."

He progressed through the audit and other departments to become inspector at head office in 1937. In 1939 he was made assistant manager of the bank's main Toronto branch—a fairly senior post in the bank's scheme of things.

At the end of the war, 1945, he became an assistant general manager with a group of Western Ontario branches his special responsibility. Seven years later, 1952, he became the bank's general manager.

Two things which McKinnon puts emphasis on: Travel—going to find out at the source exactly what's happening; Education—extensive reading and courses to keep stretching the limits of the mind.

Education is one of those areas where McKinnon has put his theories into practice within his own organization. He was one of the chief designers of the bank's staff college on Avenue Road in Toronto. Managerial and "pre-managerial" employees are brought in for courses which, on average, last four or five weeks.

* * *

Heads Vancouver Exchange

Thomas E. Pilkington is the new president of the Vancouver Stock Exchange now in its 51st year of continuous operation.

Pilkington, who is assistant general manager of James Richardson & Sons, has spent his entire business career with the one firm. Over 30 years ago he started as a junior in the home office of Richardson's at Winnipeg. He first moved to Vancouver in 1937 and, until the outbreak of World War II, he was manager of the stock department.

He went overseas with the RCAF and flew operations on heavy bombers out of Britain. At the end of the war he held the rank of Wing Commander and was attached to air force headquarters at Ottawa and responsible for navigation training.

Returning to Vancouver after the war he rejoined Richardson's at Vancouver. In 1952 he was transferred to Toronto. There he organized and developed the firm's American and overseas division. Shortly after this he became resident manager of the Richardson Toronto office and supervisor of Ontario offices.

In 1956 he was appointed assistant general manager in charge of the firm's British Columbia and Alberta investment operations and moved back to the coast.

Pilkington was born in Yorkshire, England, but was brought by his family to Canada at an early age and grew up in Saskatchewan. He married Alice Margaret Downey of Winnipeg. He is a keen golfer but one of his major interests now is a summer residence at Ladner, not far from Vancouver.

* * *

New University President

New president of the 6,000-student University of Alberta is Dr. Walter H. Johns, 50, a veteran administrator and classics scholar. He succeeds Dr. Andrew Stewart, who has been appointed chairman of the National Board of Broadcast Governors set up by the federal government.

DR. JOHNS

Born in Exeter, Ont., Dr. Johns received a B.A. degree in honors classics at the University of Western Ontario in 1930 and became a teaching Fellow at Victoria College, University of Toronto. After receiving his doctorate in classics and ancient history at Cornell University in 1934, he joined the staff of Waterloo College.

Just before the last war he accepted an appointment as lecturer in classics at the University of Alberta. Soon he was on the way up, becoming an assistant professor and secretary to the faculty of arts and sciences. Other posts which followed were academic assistant to the president, executive assistant dean of the faculty of arts and sciences and finally vice-president. He takes over during a 10-year multi-million dollar expansion program, part of which has been started. This also includes expansion of the university's Calgary branch.

Stockily built and friendly, Johns has been active in community and university life. He has served as president of a Home and School Association in Edmonton, is a past president of the Edmonton branch of the Humanities Association of Canada and has been very interested in the Canadian Institute of International Affairs and the United Nations Association.

A forceful speaker, he is frequently in demand at public gatherings. In the summer of 1952 he made a two-month tour of British universities to study overseas administrative methods.

He has two favorite hobbies, collecting books and also acquiring water color paintings. He has assembled a fine library of Canadiana, including biographies of statesmen and books on Canadian subjects, and those that deal with western Ontario and western Canada. In water colors, he has a fondness for the works of the English and Scottish 19th century school and also has some modern Alberta pictures.

Dr. and Mrs. Johns live on the University Campus in Edmonton. They have two daughters, Barbara, 17, and Elinor, 15, both attending high school.

What Others Are Saying

Editorial of the Week

New Boundary Deal?

Victoria Times

When the United States won the Alaska boundary dispute, with the help of the British arbitrator, it secured the Panhandle and shut northern Canada off from the Pacific. But the Panhandle barred Alaska from the headwaters of the northward-flowing Yukon, one of the largest potential sources of electricity in the world.

Now that it has all the powers of a state, Alaska is taking a second look at the Yukon and wondering whether the old boundary award is really as satisfactory as it once appeared.

Alaska needs Yukon power if it is to develop large coastal industries and some of its leading men think they know how to get it. If Canada were given a corridor through the Panhandle and a port on the sea, they think, the diversion of the Yukon might be approved in Ottawa.

If such a deal — unprecedented in American history — is actually proposed to Canada it will have to be examined with care. For we are dealing here with a huge national asset which, though unused at present, may be of incalculable value later on.

One aspect of Canadian policy is, or should be, inflexible: If the Yukon is to be harnessed by international agreement Canada must be guaranteed a full share of the resulting power. Canada must be able to secure, when it is needed, years hence, far more power than the Canadian industries use today.

Other People's Views

NO FEWER THAN THREE GROUPS are now planning a mass march on Ottawa, prairie farmers, CBC Montreal producers and B. C. labor unions, points out the **Winnipeg Tribune**, which comments: "This is a political habit this country can do without. A mass march savors very much of an attempt by pressure groups to intimidate government to accede to their demands."

PREOCCUPATION of the western world with leisure and ever shorter hours of work is singularly untimely, declares the **Montreal Gazette**. "In this process, productivity per capita is in danger of falling, at the very time when the costs of production rise, the power to compete declines. When the power to compete declines, unemployment must then rise."

MR. DIEFENBAKER may drop his bill of rights, thinks the **Montreal Star** which comments: "If he should do so he will displease few people, for most of the criticism centres around the assumption that the Bill as drafted will give Canadians nothing that they have not already got and may in fact limit freedoms by the very process of defining them."

TOO MANY IN THIS COUNTRY are living in a land of dreams and unreality, thinks the **Meaford (Ont.) Express**. "How long will it be before the union leaders of this country will realize that new gains in work hours and wages cannot come unless they are matched with more production and a greater desire on the part of all workmen to match the energy, skill and ingenuity of surrounding nations, some of whom would have no qualms in taking over Canada."

DISEASES know no international borders, points out the **Cornwall Standard-Freeholder**. "Therefore the recent sale of two Cobalt 60 beam therapy units by Canada to Communist China was a humanitarian service as well as a business transaction. The publicly-owned Atomic Energy of Canada Ltd., was able to do this, and the Canadian development of this particular item of equipment for healing is something in which we can all share a certain degree of pride."

THE AVERAGE PERSON in the British Isles knows very little about Canadian geography, argues the **Peterborough Examiner**, but "the ignorance is reciprocated by Canadians. How many could estimate the number of counties in Britain? Naming them would be unthinkable and apart from placing London within about 40 miles of its proper position on the map, Canadian knowledge of British geography is equally poor. This is not necessarily lamentable, though a higher standard would be desirable if only to show some results for the immense amount of money both countries spend to teach their children geography."

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February 7, 1958

Stone Age to Space Age

Canada must help its Eskimos to graduate from the igloo . . .

By J. B. McGEACHY

Before any of us in Canada undertakes to scold other nations about injustice to racial minorities, we should take a close look at how our own aboriginal fellow-citizens in the Arctic, the Eskimos, are making out.

They are, on the average, faring badly. Their standard of living is "below what is regarded as poverty anywhere else," says Gordon Robertson, commissioner of the Northwest Territories.

This is a top civil servant speaking, not a crusading journalist. The new official line at Ottawa, dating from about 1954, is a far cry from the old polyanna talk about our happy "noble savages" in the northland. It was about time for a change of attitude. The projected development of the north obliges Canada to take the Eskimo problem in hand immediately.

Outside the Western Arctic, the least backward area, fewer than 8% of the Eskimos can read and write English, fewer than 5% can do simple arithmetic — not from lack of brains but from lack of schools.

One in eight Eskimos has active TB and the incidence is much higher in some communities. One in ten is in hospital at any given time. Average life expectation is about 29 years. The infant mortality rate is appalling.

Every winter there are Eskimo deaths from starvation and cold. They are still, in the main, living primitively on a scanty, ill-balanced diet in snow-houses and sealskin tents.

We "southern" Canadians are becoming aware of this deplorable state of affairs — from able writers, particularly Farley Mowat, and from officials, particularly R. A. J. Phillips, head of the new Arctic Division of the Department of Northern Affairs at Ottawa.

A young, intense-looking Toronto graduate in history, Mr. Phillips was chief speaker at a recent one-day conference on Eskimos in Toronto.

Mr. Phillips was informative, candid and even brilliant. He has a better literary style than one expects in officials and his pamphlets on the north and its people are highly recommended. One would also call him "dedicated" except that he may dislike this word as much as he dislikes hearing the Eskimos called "unspoiled." Let us call him enthusiastic.

His aim is not to be a Great White Father but to do a practical job of fitting the Eskimos into the present-day Canadian economy and social scene while saving their special skills, natural cheerfulness, vigor and adaptation to the north. He rejects completely, as both unjust and impracticable, the policy of segregation which doomed the Indians to the dreariness of their "reserves."

With no first-hand knowledge of Eskimos, I owe the factual basis of this piece to Phillips and to writers of books.

Among these Farley Mowat is distinguished as one who, for ten years, has gallantly devoted his high talent to the Eskimo cause. From direct experience he writes with passion about the horrors of Eskimo life — the freezing deaths, the skin-and-bones babies, the stomachs choked with caribou hair from the chewing of bits of deerskin for nourishment — and he scourges the Canadian people for their neglect.

Perhaps the condition of the Eskimos is a national disgrace; but I point to two extenuating facts.

The first is sheer remoteness. Not one Canadian in 1,000 has ever met an Eskimo. Not one in 10,000 will ever have a chance to offer an Eskimo a job. A man in Toronto, unless he is by trade a writer, a politician or perhaps a teacher, may see no way he can help.

The other point, surely valid, is that the Eskimos are being asked, or compelled, to move from the stone age to the space age in one generation. No amount of wisdom and compassion could have organized the change without some casualties.

But this can't gloss over the fact that we have been grossly negligent, especially in failing to educate the Eskimos; and I am now thoroughly convinced that, unless they are speedily enabled to work, earn and enjoy life on a level with white pioneers, Canada will soon face a very nasty racial issue in the north and perhaps also, in the United Nations, a charge of racial discrimination. This would not be good for Canada's reputation, now almost lily-white in international circles, but I don't think it would be satisfactory to any Canadian conscience either.

There is one seemingly simple answer to the Eskimo question. If they can no longer make a decent living in their natural habitat, why not move all 11,500 of them south where, if settled together, they would make only one medium-sized town?

It would be wrong to reply that they don't want to come south. Mowat, among others, has demolished the myth of the ever-smiling, romantic primitive who actually enjoys his hardships and gruesome experiences. The Eskimo would rather sleep in a warm house than in an igloo. He would rather eat roast beef than raw fish.

I talked with an Eskimo, the only one present, at last week's Toronto meeting — Elijah Menarik. He thinks many Eskimos would come south if they had a chance and knew anything about life here.

In the future Eskimos must always remain free, as they are now in theory, to go anywhere in Canada, take a job and settle down. Some will do so; but it's reasonable to assume, if life is made tolerable for them, that most will stay where they are. This is certainly in the national interest. Eskimo skills and knowledge of the north are invaluable and may be indispensable to other Canadians.

This is underlined by Ritchie Calder, a front-rank British science journalist, who spent several months in the Canadian Arctic in 1957 and wrote a good book about it, "Men Against the Frozen North." Calder took the survival course given to Canadian airmen serving in the Arctic. They had to learn about making an igloo — which may be a house to make jokes about, from the split-level point of view, but is nevertheless a small-scale architectural masterpiece.

Another Calder finding is that the Eskimo feels superior to the white man. In the north the outsider is the weakling. It is he who must be guided, shown how to hunt game, take shelter in the snow, catch fish through the ice and work without bringing on a sweat that could be fatal. Only the Eskimo can show him how.

If one takes a look at Eskimo history, it is hard to decide whether, up till now, the white man has brought the aboriginals more harm or good. Before he came, they lived for perhaps 2,000 years in the Arctic. Their numbers a century ago are estimated at 20,000, nearly double today's figure. They were nomadic hunters of the caribou and their lives must have been hard indeed; but at least they did not go down under epidemics of the white man's diseases, they did not suffer from the vagaries of his economy and above all, with none of our gadgets, they survived triumphantly. This in itself is clear proof that, far from being an inferior people, they are extraordinarily hardy, ingenious and co-operative.

The white man brought them the rifle. This meant better hunting to begin with but, in the end, the near-extinction of the caribou; the herds are down to 175,000 now from 675,000 in 1951.

The white man offered them a market for white fox and muskrat pelts; and this brought great prosperity to some. Pierre Berton, in "The Mysterious North," writes of Eskimos earning $6,500 a year from the fur trade. He tells of one named Fred Carpenter, probably the world's richest Eskimo with $15,000 in the bank, a schooner like a yacht and a fine house.

But the one-crop fox-pelt economy proved too precarious for lasting security. Fashions changed, the average price of a skin fell from $30 to $5 and the size of the crop itself fluctuated wildly with the life cycle of the fox.

If the white man's economy confused the Eskimos, so did his theology and law. Missionaries were too hasty in uprooting native ethics and philosophy. As for our laws, one man said at the Toronto conference: "We say to the Eskimo he must tell nothing but the truth in court and then we advise him to plead not guilty. How can he understand that?"

But the least admirable of all the white man's importations into the Arctic was his boss complex. Here is Phillips' view on that point:

"The Eskimo maintained standards that, by and large, we could not sully. He could still laugh at our petty squabblings and our intemperate anger, wonder at our thieving and hypocrisy." (Isn't Mr. Phillips here coming close to delineating the Eskimo as "the noble savage," a notion he rejects?)

"But," to continue the quotation, "his triumphs were quiet ones. The white man was boss and consciously or not every white man worked to keep it so. They wanted to keep the Eskimo in his igloo — his tattered, broken igloo — and they did."

Mowat is fiercer in his condemnation. The traders, the missions and the Mounties (the three great powers in the north before civil government took charge in earnest five years ago) all conspired, says Mowat, to keep the Eskimos down, to make sure that they did not learn English, to relegate them permanently to the status of "natives"—in Blimp's sense of the word.

A dissenting note from Calder needs to be noted. He speaks of the Mounties as the friends of the Eskimo and quotes tolerant and even admiring comments by Superintendent Larsen, RCMP, on the Eskimo philosophy and code.

But I suppose that the account given by Canadian students and observers, like Phillips and Mowat, is to be preferred to that of a British visitor who might feel constrained to be polite. The Mowat indictment, though overstated for crusading purposes, must be very near the mark. And the mistakes of the past are now yielding their evil fruits in Eskimo hunger, unemployment, disease and illiteracy, in the midst of modern "development." The Eskimos are a sick society.

It is out of the question that they be segregated in the north. It is equally inconceivable that they can coexist, in their present wretched state, with the new communities growing up and projected in the Canadian north—the airports and airlines, the defence posts and strategic lines, the mines, factories and possibly farms.

A start is being made in the process of adjustment. Nearly 100 Eskimos are employed on the DEW line at salaries up to $300 a month, about 80 in the mine at Rankin Inlet. Indeed Phillips forecasts that soon there will be an employee's market for Eskimos who want to earn wages. By his estimate there are only 3,000 employable male adults among them. Assuming 1,500 with their dependents can live off the land (and sea), the rest will readily find work if even a tenth of the projected mines come into production.

But wage-earning, for the Eskimo, means an entirely new pattern of life. It means a fixed abode, store clothes, store food, new forms of recreation. It calls for education — if Eskimos are to rise above the menial jobs. Belatedly a system of common schools — in which Eskimo, Indian and white children are enrolled together — has at last been started.

Has the Eskimo the brains and IQ to become a working member of Canadian society at the general level of culture and comfort?

About the only direct evidence of his skill known to the southern Canadian is Eskimo sculpture, on which the amateur is excused from expressing an opinion because the experts disagree. It's amusing to discover, in the recently published symposium called "The Arts in Canada," two flatly contradictory opinions.

Prof. William Dale, curator of the Art Gallery of Toronto, says the Eskimo stone carvings "show little understanding of design or material" and he adds: "Perhaps we may still look forward to seeing such names as Akeeaktashook, Munamee and Tikketuk with the letters RCA after their names, but not on the basis of their performance to date."

But later in the same book Galt Durnford, Montreal architect, says the carvings "prove that fine primitive art is still possible" and concludes enthusiastically: "To the list of significant Canadian artists we can and must now add Akeeaktashook, Kopee, Munamee, Oshweetok and Tungeelik."

What will Akeeaktashook make of this? Only that white art critics are as confusing as white lawyers and theologians. But the main point perhaps is that the carvings have appeared on mantel pieces as far away as Rome and brought the Eskimos as much as $25,000 a year.

But outside of Canada, Eskimos are doing far more than carve soapstone to prove their worth. Years ago I met the Danish explorer Peter Freuchen, a bearded giant who spent most of his life in the Arctic. He told me then that Russian Eskimos, in northeastern Siberia, were centuries ahead of Canadian Eskimos and lived in well-built houses complete with radio sets, central heat and electric light. I thought Freuchen was pulling my leg; but every Eskimo expert I have questioned has confirmed what he said.

Perhaps it is to be expected, since about 5,000,000 Russians against only 30,000 Canadians live north of latitude 60, that Soviet Eskimos should fare better than ours.

But what about Greenland? It is Danish territory, but it must look as remote to a man in Copenhagen as Baffin Land looks to a man in Toronto. Yet for generations the Greenland Eskimos, with an admixture of Danish blood, have prospered on the western shores of their frozen island. With the same climate and the same economic problems as have faced their Canadian blood-brothers, they not only lead civilized lives but run their own affairs and produce their own doctors, lawyers, scientists, teachers and writers.

Canada's Eskimos can do just as well. Canada, fortunately, is at last waking up to their plight; but the job is urgent and there is a lot of catching up to be done — about 2,000 years of catching up in the time it will take to develop a mining industry.

MISS MARIE PANEGOOSHO

New Civil Servant

Four Eskimos born in the Canadian north are now employed by the Department of Northern Affairs.

Paulette Anerodluk, 23, clerk-typist, and Minnie Odla, 22, interpreter and typist, work at Frobisher Bay, Baffin Island. Elijah Menarik, 27, translator and editor of an Eskimo language magazine, and Marie Panegoosho, 19, typist and translator (see cut), are stationed at Ottawa.

Miss Panegoosho was born at Pond Inlet, Baffin Island, where her father works for the RCMP as a special constable. She learned English from her parents and from Anglican missionaries. She spent four years at Dalewood School in Hamilton, Ont., living with Miss Odla at the Nurses' Residence in Mountain Sanitarium where the two girls worked as nurses' aids. She enjoys life in "the south" but intends to return to the Arctic to help her family "and other Eskimos."

Leslie Wilson, of FP Ottawa bureau, after interviewing Miss Panegoosho, writes: "She is a very self-possessed and attractive girl; and considering the difficulties of a move from Baffin Island to Ottawa I think her quite an astonishing individual."

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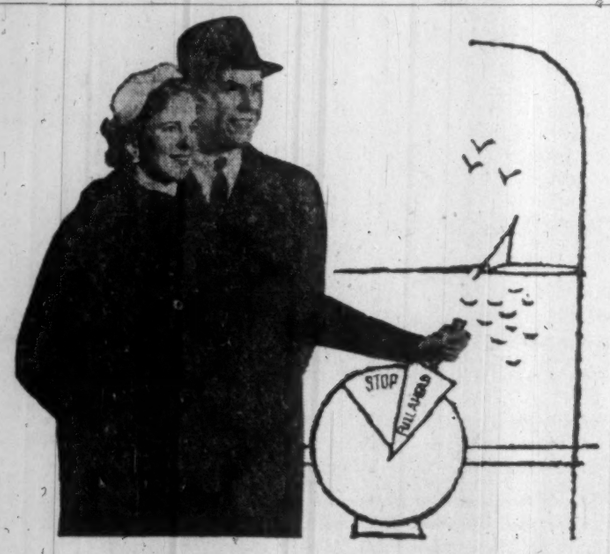

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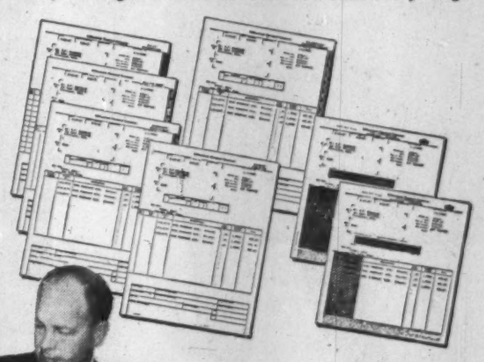

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The Outlook

(CONTINUED FROM P. 1)

—**Department store sales** in the first week of January were up 4% from a year before and in the second week shot ahead by 8%.

—**Auto production** in January ran over 5% above year-earlier totals in response to better buyer interest. And this was achieved despite a strike at **Chrysler Corp. of Canada.**

Across the border, consumers are also loosening up their purse strings: Customers bought about 16% more U. S.-made cars this January than they did a year ago.

But it's not very likely that U. S. auto sales will break earlier records. January production was appreciably greater than deliveries—and production was 7%-8% below earlier targets set by the manufacturers.

However, further evidence that business and individuals may be getting ready to step up their spending comes from this fact: Bank loans outstanding continue to rise fairly steadily, although this is the time of year when they usually stand still or ease slightly down.

In the weeks between early October and late January, general loans including loans to finance companies rose by more than 3%. By contrast: In the same period last year recession pulled the total outstanding down by more than 5%. And two years ago, such loans eased down by 2% although the boom still had a lot of steam left in it at that point.

There's every likelihood that loans will go on rising this year in keeping with inventory build-up and modest business expansion. Some observers think another 4%-5% could easily be tacked on to the current total outstanding.

Rising demand for funds from the private sector plus federal deficit financing ahead is likely to spell higher interest rates in coming months.

E. M. Saunders Ltd., Toronto investment firm, predicts: "Further increases in government bond yields may be most pronounced in the short and medium term issues, rather than in long terms."

Over the past several months, the banks have been working toward a more liquid condition and will be able to accommodate bigger demands for credit.

E. M. Saunders notes that in practice the assets which can be liquidated to expand loans are mainly in the banks' portfolios of government bonds maturing in less than two years.

And this is precisely the area where the banks have been building up holdings substantially: Total of such bond holdings at the end of December came to $826 million up from a year earlier's $505 million.

Canada May Build U.S. Fighter

(CONTINUED FROM P. 1)

will probably go to the Malton, Ont., factory.

Until last week there seemed a good chance that the Canadair factory would be kept busy for the next two years without any spending by Ottawa.

The Montreal company had entered the hard-fought competition to build a long-range radar picket plane for USAF.

If it won, the order would call for production of some 200 or more CL-44 airframes—more than enough work to keep Canadair at fever-pitch activity (**FP**, Nov. 22).

Reports from Washington suggest the team of which Canadair was a member was running in first place last week.

However, with days to go, **Boeing Aeroplane Co.** made a new bid.

This suggested a version of the 707 jet airliner equipped with super radar and anti-missile missiles.

It was so revolutionary, Pentagon planners have delayed decision for at least two months.

Feeling is if Boeing can present a scheme that is both cheap and reasonably practical — i.e. one that won't take 10 years to get operational—it will win the race.

If not, Canadair's more pedestrian entry stands a good chance of getting the nod.

But if the CL-44 order fails to come off, and the Arrow is discarded, the Super Tiger may become enormously important for the industry.

MOVE NEAR

New Law on Subsidiaries Canada's Answer to U.S.?

By MICHAEL BARKWAY

OTTAWA (Staff) — Canada may move to devise legislation to establish jurisdiction over Canadian companies owned or controlled in the U. S.

Such an answer to the U. S. assertion of extraterritorial jurisdiction over Canadian companies (as in the current anti-trust suit on electronic patents and the treasury regulations on trade with China) would be regarded as a last resort.

But it is now nearer to practical politics than ever before.

If no other way is found to end the extension of U. S. jurisdiction into Canada, a suitable statute would probably get unanimous support from all Canadian parties.

The possibility of legislation arises from the recent exchanges between the Canadian and U. S. governments about the U. S. Justice Department's anti-trust suit designed to break up the Canadian pool of radio and TV patents.

Justice Minister Fulton, who recently had talks in Washington with U. S. Attorney-General Rogers (see p. 11) this week gave the House of Commons a restrained and cautious account of them.

Reading between the lines of that statement, and comparing it with Mr. Fulton's earlier speech to the New York Bar Association, it is clear that Canada got little or no satisfaction from the U. S. government.

Mr. Rogers evidently did not budge from the position that his anti-trust actions are aimed solely at making U. S. citizens obey U. S. law.

It has not been explained how this justifies including **N. V. Philips Gloeilampenfabrieken** with two U. S. firms as a defendant in the present suit.

But the suit is directed at this Dutch company described as being "organized under the laws of the Netherlands and having its principal place of business at Eindhoven, Holland."

Philips' U. S. subsidiary is cited merely as a co-conspirator along with the Canadian subsidiaries.

The stand taken by the U. S. Administration — in all essentials unmodified by Canada's protests — directly contradicts the Canadian contention that companies organized in Canada, wherever they may be owned, should behave as good Canadians, promote Canada's commercial interests and be subject only to Canadian law.

According to the U. S. view, any American who becomes a director of a Canadian company must be guided by U. S. law at all times — even when he is dealing with the affairs of the Canadian company.

Only one "concession," as the U. S. anti-trust people consider it, has been made to modify the U. S. claim to interfere with business decisions in another country.

It is now the practice of the U. S. courts, in issuing anti-trust decrees with extraterritorial effect, to include a rider saying that its decrees will not be enforced if they require action violating the law of another country.

On this basis, Washington authorities claim that Canada can assert its own jurisdiction over U. S.-owned companies doing business here.

But it can only do so by passing laws which positively require certain things to be done. Merely to permit them is not enough.

This is the main objection felt here to enacting legislation.

It would have to direct Canadian companies to do certain things; and this involves a degree of government regulation of business which is repugnant to the Canadian government.

A far better solution, Mr. Fulton said, would be for the U. S. government to show restraint in applying U. S. laws when they interfere in "matters that are essentially matters of Canadian commerce within Canada."

But as a last resort, if the U. S. Administration remains unyielding, Canadian legislation will be considered.

Moosonee Survey Started

(CONTINUED FROM P. 1)

transshipment point for eventual movement of iron ore from Great Whale and Fort George on the mainland and the Belcher Islands.

- **There's more than** four billion tons of iron ore in these areas.

The ore would be carried from these points to Moosonee and from there by train to the industrial heartland of Ontario.

- **Ore reaching Moosonee** could eventually build up to about 10 million tons a year.
- **The port would also** serve as a base for supplying the DEW and Mid-Canada radar systems with supplies.
- **A grain elevator** could be built at Moosonee from which wheat, now being grown more and more in northern Ontario, could be shipped to European ports.

On top of the $5 million to $6 million estimated cost of developing a good harbor, iron ore companies would have to spend substantial amounts for sizeable dock areas and other facilities.

Will We Make Small Cars? Price is the Big Problem

Major question now facing Canadian auto-makers: Should they build smaller cars in Canada if their parent companies decide to build them in the U. S.?

It is no secret that design and engineering work on smaller models has been virtually completed by the U. S. Big Three. All have had crash programs.

But the decision on when to introduce them has yet to be made. It is largely a question of how well the current models sell this year.

Several other factors affect the decision in Canada.

Imported European cars accounted for almost one-fifth of all new cars sold here last year.

Sales totaled 70,000 - 75,000 units. But nearly a third of them were the British-made cars of **General Motors** and **Ford.**

With labor costs in the Canadian auto industry averaging $2.40 per hour compared with $1.03 in the U. K., Canadian-built cars can't compete in price with a low-cost import.

It can only compete in size and suitability to Canadian conditions — which is what current Canadian models are already doing.

In tooling for a smaller car the Canadian auto-makers do not have the U. S. parent companies' advantage of large volume. Nor are any of the components likely to be similar to the existing range of models.

It seems likely that manufacture of smaller cars in Canada will be delayed until their reception has been tested in the U. S.

Meanwhile, **General Motors of Canada** sales last year rose 7.5% on 1957. The gain would have been 1.9% without **Vauxhall,** imported from GM in the U. K.

Ford of Canada sales declined 13.2%. The sag would have been 16.4% without the British Ford.

Delay On Gas Export Deals

(CONTINUED FROM P. 1)

capital outlays for the building of the various pipelines of about $45 million.

Gathering systems would call for an outlay of over $97 million.

Construction work alone would give work to an estimated 1,750 men.

Full-time operation of the systems would cost some $15 million annually and employ over 1,300.

On the brighter side of the natural gas picture was Trans-Canada's announcement this week:

- **That it would spend $13.5 million** this year on four new compressor stations and equipment to increase its throughput to the East.
- **And that by 1962** it anticipates looping 500 miles of present line with parallel pipe.

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Mr. T. M. Mayberry, President, Firestone Tire & Rubber Company of Canada Limited, announces three appointments at the Company's Hamilton, Ontario, plant.

Robert Taylor, formerly production manager, is named factory manager. Alfred Horrax, who has been chief engineer, now succeeds Mr. Taylor as production manager. C. R. Strand, staff engineer at the Company's Plant 2, Akron, Ohio, is appointed chief engineer at the Hamilton plant succeeding Mr. Horrax.

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President of Waldorf Realties is Harry Cohen. President of Greater Montreal Development is his son, Douglas Cohen; vice-president is Ralph Berman. The Cohens are lawyers.

Work started this week on first major project, a $2-million, 11-story office building on Sherbrooke St.

Ground floor will be occupied by a branch of **Toronto-Dominion Bank.**

Future projects: A 150-unit luxury uptown apartment, a shopping centre and apartment house in the west end, a 100-unit addition to Chateau St. Louis in Quebec and two more Sherbrooke St. office buildings.

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Legal Opinion: Messrs. Daly, Harvey & Cooper

Schedule of Maturities

Maturity Date December 15	Principal Maturities	Maturity Date December 15	Principal Maturities
1959	$290,000	1969	$352,000
1960	302,000	1970	370,000
1961	320,000	1971	387,000
1962	334,000	1972	407,000
1963	353,000	1973	431,000
1964	323,000	1974	300,000
1965	338,000	1975	315,000
1966	359,000	1976	329,000
1967	378,000	1977	347,000
1968	397,000	1978	368,000

Prices

1959-1965 Maturities—Sold
1966-1968 Maturities—99.50 any maturity
1969-1978 Maturities—98.46 through the piece to yield 5.40%

We, as principals, offer these Debentures subject to prior sale and change in price if, as and when issued by the City of Hamilton and accepted by us, and subject to the approval of all legal matters by Messrs. Daly, Harvey & Cooper.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books without notice. It is expected that definitive Debentures will be available for delivery on or about March 2, 1959.

A circular describing this issue will be furnished upon request.

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McLeod, Young, Weir & Company Limited — Bell, Gouinlock & Company, Limited — Mills, Spence & Co. Limited — Harris & Partners Limited

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FP 8

Fall in Coffee Price Is Grief for Growers

Look for further cut — and some retaliation . . .

MONTREAL (Staff) — Coffee is good to the very last drop —in price.

Now at its lowest level in 10 years, coffee may slip another few cents a pound and then turn slightly firmer.

Futures have been stronger in New York under hedge lifting and short covering.

While some Canadian roasters were talking about the likelihood of a decline in the price for coffee in the vacuum cans officials of the Latin America Coffee Agreement — producers of 80% of the world's coffee— were studying means to stabilize their market.

A few weeks ago 2c was whacked off the retail price of bags. There was no reduction on canned coffee at that time.

A cut is brewing now, according to one Canadian distributing house, following a new 3c slash this week in the U. S.

Montreal wholesale price for a good blend is 77c a can, down about 40% in the last five years. Retail level: 84c.

One-pound bags retail at 77c, although one big chain is offering its own blend at 67c in Montreal compared with 75c three months ago.

Such price-cutting by chain stores forced the latest reduction at wholesale in the U. S. Major roasters like **General Foods Corp.** and **Standard Brands Inc.** trimmed their price structures after one chain, **Grand Union Co.**, lowered retail prices of its national brands.

New buying by roasters for replacement purposes brought some firmness to futures on the New York Coffee and Sugar Exchange.

Green coffee is 36-37c a lb., f.o.b Brazil. It comes to around 50c landed at Montreal. As there is a 20% shrinkage, profit, if any, on a retail sale at 67c is slim.

Coffee has an erratic history.

In the winter of 1954 green coffee prices shot from 58c to 87c and retail prices for premium brands hit $1.40. The uproar in the supermarket was heard as far away as Brazil where huge new coffee-producing areas were opened and abandoned land was replanted.

Today the smiles of the shopper are matched by frowns in Brazil and other Latin American countries where an economic setback caused by low producer prices could have wide repercussions.

It appears that to avert further price chaos a new coffee agreement may be signed, going beyond the present one, which is under pressure from mounting surplus.

World stocks at the end of the 1957-58 year were 23 million bags of 132 lb.

The agreement was supposed to work by withholding 12 million bags from the market, representing the difference between export coffee production of 50 million bags and consumption of 38 million bags in 12 months begining last September.

Export quotas became effective a month and a half late, so that by the time 1958 was over many leading Mild producers were sold out.

When the Agreement's board of directors met recently, top item on the agenda was the need to stabilize the market and strengthen prices, but no indication of possible measures was given.

To be effective any new agreement will have to allow Brazil a 15-million bag level of exports against 13.5 million bags exported in 1957-58. It would also have to include Africa, now standing aloof from the Pan-American coffee crises.

Brazil must export 15 million bags at good prices to shore up its economy and meet heavy foreign obligations.

Said one coffee expert:

"Most of the world's carryover is in Brazil and the government there has been forced to absorb the cost of financing a huge surplus, printing cruzeiros and creating an inflationary atmosphere.

"Brazil's dilemma has been aggravated by pressure from Africa which has been getting an increasingly larger share of the market."

Here's Wheat Agreement We Could Get at Geneva

By LESLIE WILSON

OTTAWA (Staff)—Important Canadian wheat sales over the next few years will hinge on decisions taken by the two "problem countries" of the United Nations wheat conference.

The two: The U. K. and Russia.

The 48 countries of the present International Wheat Agreement are hammering out a new IWA at Geneva.

The U. K. and Russia are attending, for the present, as observers.

Delegates are talking about a new kind of agreement — with one set of conditions to cover ordinary commercial wheat sales and another set to cover wheat surplus disposal operations.

The U. K., which left the IWA in 1953, is believed ready to rejoin and Russia, which has never been a member of the IWA, is making noises indicating she might want to join also.

• If the U. K. comes in, chances that the delegates will work out an agreement of the proposed type will be greatly increased.

Such an agreement would cover a much larger proportion of world wheat trade than the present IWA and might discourage to some extent irresponsible wheat surplus disposal by the U. S.

This would mean a larger Canadian quota under the IWA and less interference in Canadian sales from surplus disposal operations.

• Russia probably won't join the IWA.

But in the next two or three years she could become an important wheat exporter to the West and this will have a bearing on the terms of the new agreement.

In 1957, Russia became No. 3 world wheat exporter (about 210 million bu. vs. 53 million the year before.

Nine tenths of her wheat went to eastern Europe and the remaining 10% didn't make much impression on western prices or supplies.

This year, Russia has a bigger wheat crop than the U. S.

Two weeks ago, Anastas Mikoyan told U. S. State Department officials that Russia is planning to bring big new areas in Siberia under wheat cultivation.

These facts mean that the Russian overtures are being taken very seriously at Geneva.

The Canadian view is that most Russian wheat will continue to go to Russian satellites; and that Russia doesn't intend to "rock the boat" by selling the remainder like she did aluminum last year.

Nevertheless, it's felt, any real increase in Russian wheat exports is bound to increase pressure on western wheat markets and this may be reflected in the terms of the new IWA.

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ANNOUNCEMENT

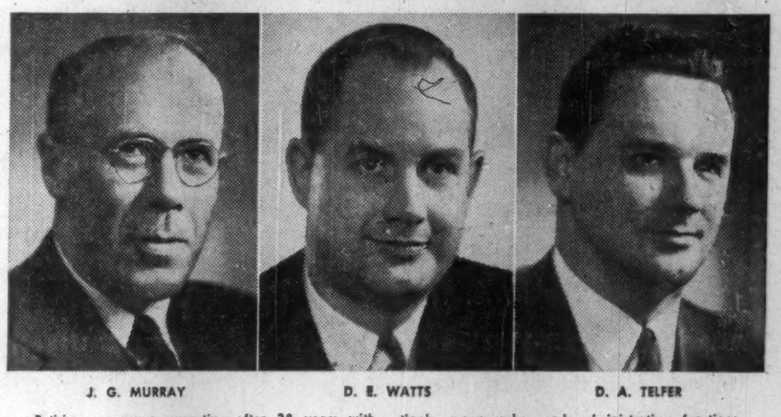
JOIN COCKFIELD BROWN & CO. LTD.

ERIC MORRIS T. H. HARRIS

Cockfield, Brown & Company Limited have announced two appointments to the senior personnel of their Montreal office, effective January 15. Eric Morris has joined the advertising agency from a successful career in the food merchandising and advertising fields with Kraft Foods Ltd. and Ogilvie Flour Mills Co. Ltd. He will have specific responsibilities for some of the agency's food accounts. T. H. Harris, formerly executive editor of the Montreal Herald, has been appointed to the agency's Research Department to which he brings considerable knowledge in the fields of economics and research. An honours graduate of McGill in economics, he studied at Yale University as a Strathcona Memorial Fellow in economics and statistics.

ANNOUNCEMENT

CONFEDERATION LIFE GROUP AREA CHANGES



J. G. MURRAY D. E. WATTS D. A. TELFER

Retiring as group executive after 38 years with Confederation Life Association, J. G. Murray as a young actuary helped establish the company's group insurance department in 1927. Today its group insurance in force exceeds $720,000,000. Mr. Murray is succeeded as group executive by D. E. Watts, with full responsibility for the Association's group sales and administrative functions. D. A. Telfer, who joined Confederation Life as a group representative in Montreal in 1949, later becoming manager, is being placed in charge of the group sales operations as superintendent group sales division.

Union Gas Co. Customer Total At New Peak

Expansion of operations of **Union Gas Co. of Canada** during the past 10 months has brought number of customers to a record high of 205,000.

The Chatham company, which had 109,953 customers at March 31, 1958, acquired the natural gas properties of **Dominion Natural Gas Co.** April 15, 1959.

At March 31, 1954, customers numbered 84,631.

Marketing area extends throughout southwestern Ontario.

Consolidated gas sales increased by 37.3% in the first half of Union Gas' current fiscal year, but company operated at a loss (**FP**, Nov. 8).

For the six months ended Sept. 30, 1958, consolidated gross sales totaled $6,587,251, compared with $4,799,074 in April-September, 1957.

For the 12 months ended Sept. 30, 1958, consolidated gas sales revenues were $18,659,963, up 25.4% from $14,874,482 a year earlier. In the 1953-54 fiscal year, sales amounted to $10,417,505.

A consolidated net loss of $252,833 was incurred in the April-September, 1958, period after a tax credit of $281,000.

In the comparable 1957 period, net profit was $300,022.

Consolidated net profit in the 12 months ended Sept. 30, 1958, was $2,008,244, down 10.6% from $2,245,257 in the similar 1956-57 period.

Prospectus for Union's recent $8.5-million issue of 5½% cumulative redeemable par $50 preferred stock points out that these results are not necessarily indicative of results to be expected for the full 1958-59 fiscal year.

Volume of gas sales is highest in the winter months.

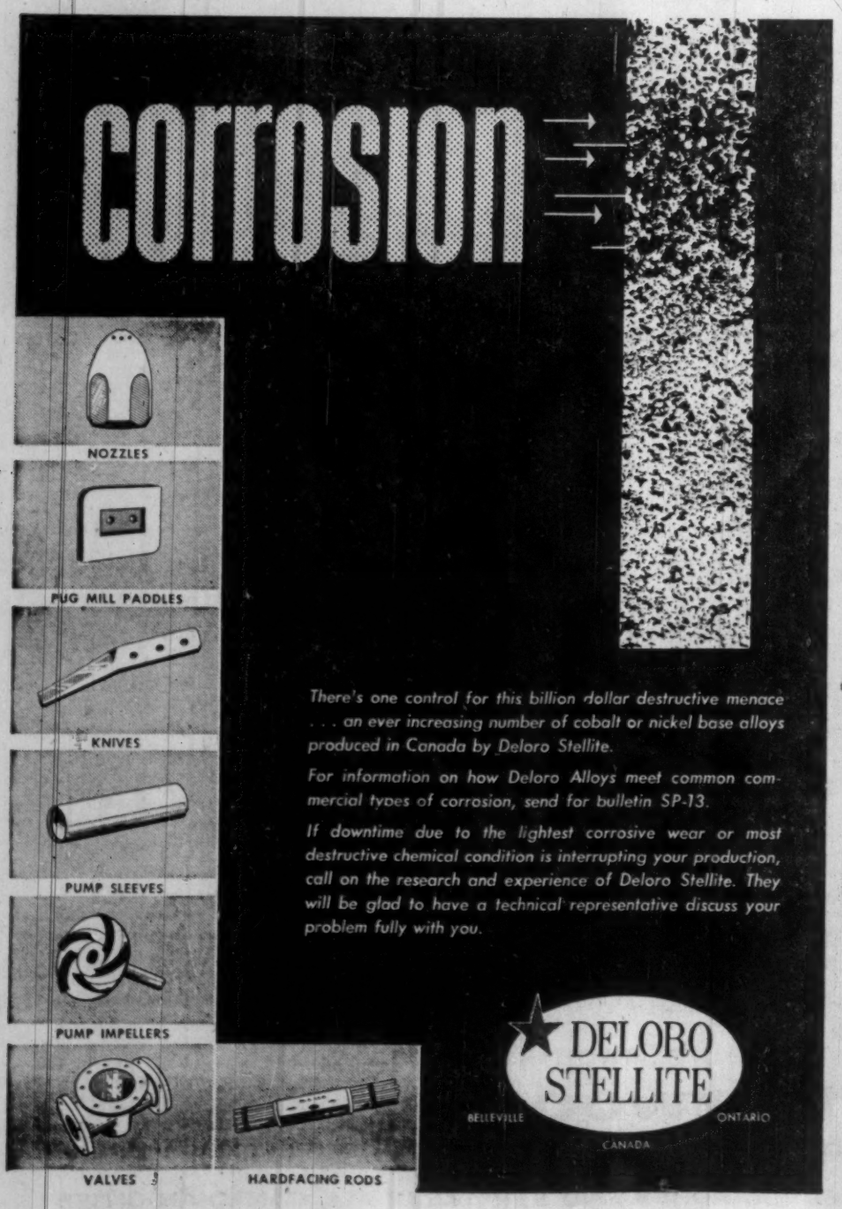
For the five fiscal years ended March 31, 1958, consolidated net earnings averaged $2,121,367, or 4.53 times maximum dividend requirements of $467,500 on the new issue.

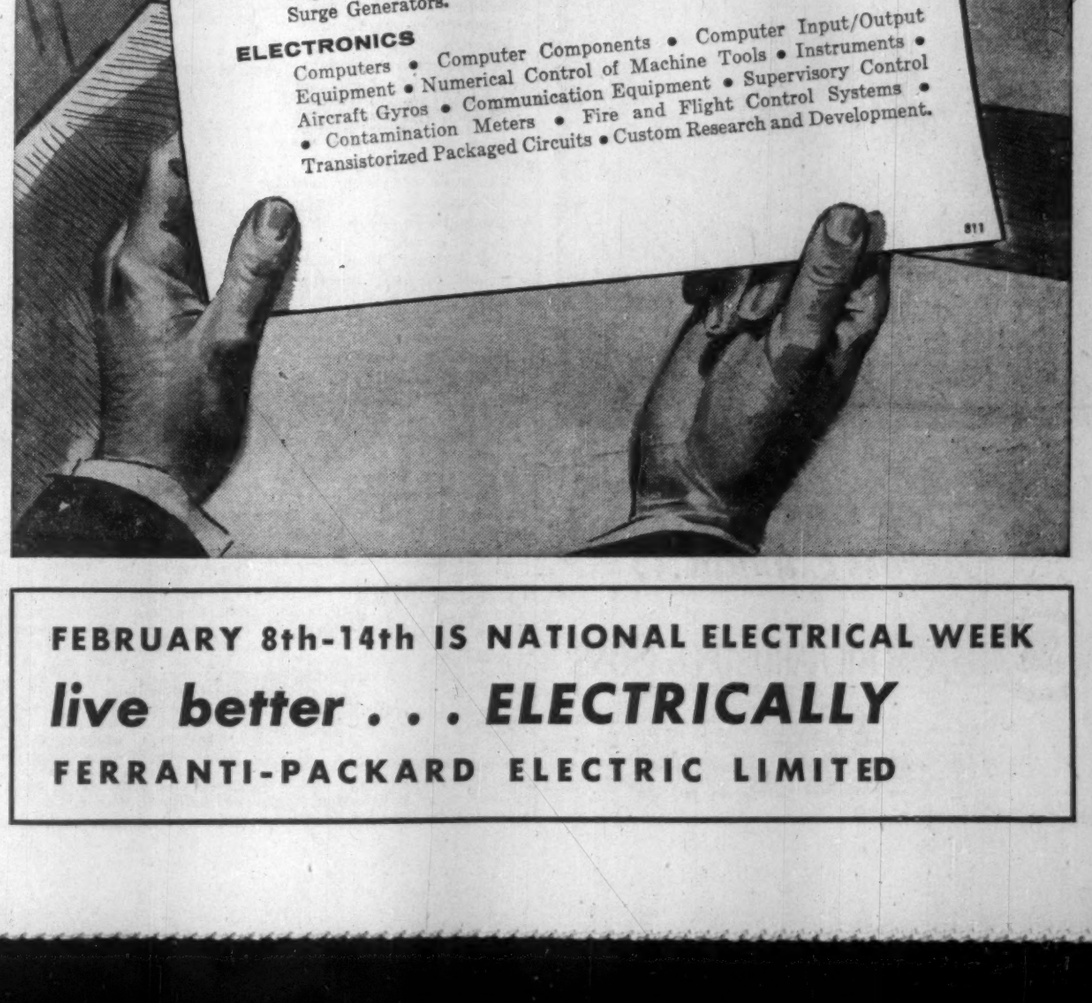
The issue has been sold at par by a syndicate headed by **A. E. Ames & Co.**

Proceeds are to be used for general corporate purposes, including expansion and extension of plant and facilities.

Equity capitalization, in addition to current financing, includes 4,413,750 npv common shares outstanding, of an authorized six million.

Funded debt includes $18,584,000 4¾%-5% bonds, and $17 million 5%-5¾% debentures, in three maturities of each, plus $20 million 5¼% first mortgage sinking fund bonds, due 1978, of **Ontario Natural Gas Storage & Pipelines Ltd.**, a subsidiary.





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Notice of Redemption

SALADA-SHIRRIFF-HORSEY Ltd. has called for redemption on February 17, 1959, its outstanding 5½% Cumulative Convertible Preferred Shares, Series B at the redemption price of $27.31 per share (being the sum of $27 plus accrued and unpaid dividends to that date). At any time until the close of business on February 16, 1959 each Preferred Share, Series B may (at the holder's option) be converted, upon payment to the Company of the sum of $6, into two common shares of the capital stock of the Company.

Here's Outlook for Trade In West Indies Federation

Canada's trade delegation to the Caribbean is home. Here's how some members see the future . . .

Most members of Canada's 40-man trade delegation to the Federation of the West Indies were home this week: Tanned, tired and impressed with the potential of a vital new trading area.

The delegation, from the top level of Canadian business, found the British West Indies anxious for long, serious talk.

As a result: A minimum of platitudes exchanged and a maximum of hard-facts discussion.

Delegates queried by **FP** this week summed up these as the most significant findings:

- **Until a customs union allows free exchange** of goods and people between the various islands, FWI remains a fairly ineffective trading area.
- **The weight of U. S. trade** backed up by Washington's price support program plays havoc with Canadian agricultural exports.

Flour, for instance, was once 75%-90% Canadian supplied, now is down to 25%—and still falling.

- **Politics still play a role** that makes Federation in anything other than name difficult.

Long-standing rivalries between the "have" and "have-not" islands color much FWI thinking on trade matters.

- **Most leading politicians** in the area—and to a much lesser extent business executives — have industrial ambitions that sometimes outstrip the realities of the existing situation.
- **Dollar exchange problems** are going to take some licking.

"All these matters were discussed freely and frankly," one delegate reported.

"Neither side pulled punches. We told them what we would need from FWI and they told us what they wanted.

"We didn't settle on any cure-all formula but we came a great deal closer to understanding each others' points of view."

The picture of the young federation brought back to Canada had bright sides to it that go a long way to overcoming many of the trade drawbacks.

Delegates found a genuine enthusiasm to strengthen trade ties with Canada.

The sugar industry is one that relies heavily on Canadian sales. The team found FWI officials fully conscious that Canada gives West Indies sugar far better trade terms than Canadian exports receive in return.

There was a general feeling that something should be done to improve the reception given Canadian produce.

"But West Indies islands (except for Jamaica) are tied to GATT," another delegate explained. "It's extremely difficult to help Canadian goods without appearing to victimize somebody else—particularly the U. S.

"We found FWI government and businessmen tremendously anxious to improve conditions for Canadian exporters, but at present their hands seem to be tied."

A reassuring sign the Canadians found, was that there is no resentment to outside capital. FWI welcomes it from any direction.

But Canadian capital is particularly sought after. So is our "know-how."

In which directions can Canadian capital best be directed?

Delegates were unanimous in stressing that FWI presents few get-rich-quick opportunities.

Investment in the area, E. R. Alexander, vice-president finance of **Sun Life Assurance Co.** feels, will largely come from banks and institutions with an eye to the long-term growth potential.

The most promising field for individuals and companies seems to lie in the construction field.

The delegates found a pressing need for new buildings of all kinds. FWI is short on housing, office space and hotels. All are badly needed.

FWI trade regulations allow duty-free imports of hotel equipment. Other construction equipment and raw materials, some delegates feel, might also receive duty preferences.

Canada can find a strong market both for supplies — for instance, FWI is virtually without lumber suitable for building—and actual construction work.

While the islands abound with super comfortable and ultra-expensive accommodation for tourists, the delegation found that next to nothing had been done to attract the middle-income group.

"There has been a lot of pressure on the airlines by FWI officials to cut air fares to the area," a team member reported. "But the two delegates representing air travel pointed out that lower fares must be accompanied by lower hotel charges if FWI is to attract the vast new army of visitors it wants.

"Anyone can lose money building a hotel. But if Canadian hotel experts were prepared to go down and make use of the wonderful tourist appeal to establish medium and even low-priced accommodation, I think the potential business would be terrific."

"There is a real potential for increased Canada-FWI trade on the basis of dollar-sterling convertibility," Walter Lattman, Group Vice-President Eastern Hemisphere for **Massey-Ferguson Ltd.**, told **FP**.

Canada could have a natural flow of business with the islands within the framework of Commonwealth preferential tariff agreements, he feels.

A job to be done is a breaking down of FWI tendency to look to sterling sources only for supply—a situation arising from currency restrictions.

Also a knotty problem is to develop a way of being able to compete as far as export credit is concerned.

Industry's feeling is that we need export financing arrangements such as many other countries enjoy if we are to compete in these markets, particularly against U. S.

In an interim official report issued on its return, the delegation pointed out that increased government economic aid to the area would be a wise move at this time.

"We quite appreciate that Ottawa shouldn't branch out on some giant new scheme at this time," a delegate explained. "But we do suggest that the government seriously consider diverting some of the aid now going to other far-off areas and switch it nearer home.

"FWI needs help. The people there don't want charity and would bitterly resent it.

"Perhaps that is more than can be said for some of the people that receive aid at present."

Without exception the Canadians were impressed by FWI ambition, though some were slightly worried about traces of over-ambition.

They report some FWI elements are anxious to try too much too soon in the race to become self-sufficient.

Inter-island communications must be improved, and the delegates found great enthusiasm for the Ottawa decision to supply two ships for inter-island trade.

FWI hopes Canadian shipping and air executives will keep an eye on the area for expansion plans.

Summing up the visit, a delegate had this to say:

"Canadian business and capital can look forward to a friendly reception in those lovely islands. But the rest of the world also has trade plans. The U. S. and Britain are particularly active, so is France.

"It's an exciting prospect, but any of us who had felt it was going to be easy learned a lot.

"It's a market that will buy from the best salesman and Canadian business will have to realize that and work hard to win it."

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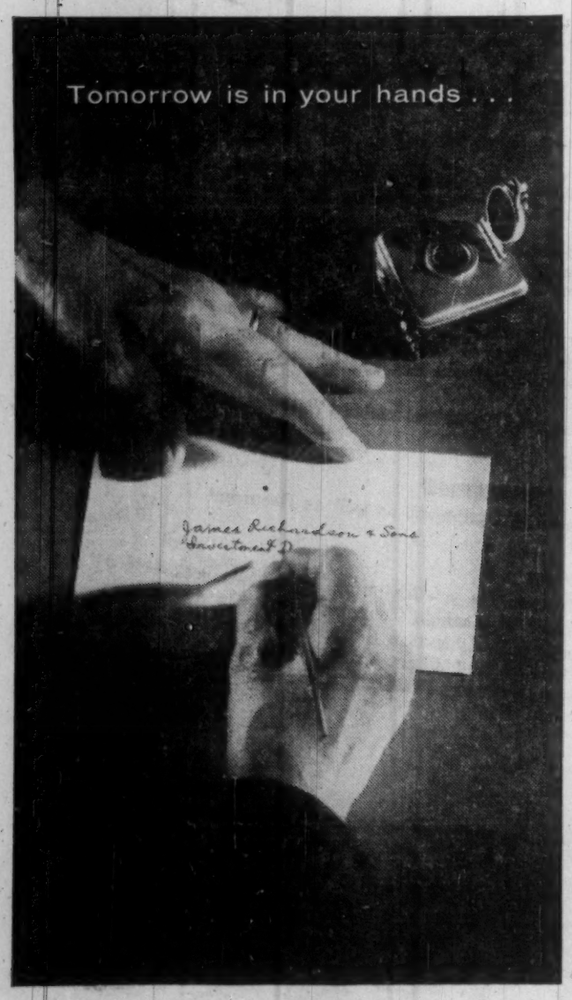

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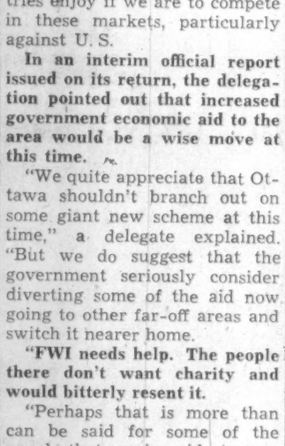
Quinte Milk Has Good Year

A favorable year is reflected by the annual report now being prepared for 1958 by **Quinte Milk Products Ltd.**, Wellington, Ont., President A. L. A. Richardson says.

Consolidated net profit for 1957 was $40,130. Earnings per Class A share were $1 before participation and 92c after participation.

ANNOUNCEMENT

CRUMP ON CIF BOARD



NORRIS R. CRUMP

President of Canadian Pacific Railway Company, has been elected a Director of **Canadian Investment Fund, Ltd.**, and Canadian Fund, Inc. **Canadian Investment Fund, Ltd.**, is Canada's original mutual fund, and Canadian Fund, Inc., is the first mutual fund formed in the U. S. to invest in Canada. Both are under **Calvin Bullock, Ltd.**, supervision and the two funds have aggregate assets of $165,000,000. The Board of Directors of both Companies are now: Graham F. Towers, C.M.G. Chairman, Charles T. Ballantyne, Q.C., Henry Borden, C.M.G., Hon. F. Philippe Brais, C.B.E., Hugh Bullock, K.B.E., Alan Chippindale, Norris R. Crump, Norman J. Dawes, G. Blair Gordon, The Rt. Hon. C. D. Howe, P.C., and George W. Huggett.

Monarch Life Reports Record Sales in 53rd Year

The Monarch Life Assurance Company has completed its Fifty-Third year of service. Some of the more important results of the Company's operations in 1958 are:

The Company's sales increased by 19%. Insurance and annuity policies issued during 1958 amounted to $75,609,786. Nineteen Fifty-eight was the twentieth consecutive year in which **Monarch Life** sales have been greater than in the preceding one.

Business in Force increased by 11% and totalled $391,687,324 on December 31, 1958.

Payments to policyholders and beneficiaries rose by 9% to $3,561,832.

The Company's Assets amounted to $67,507,064 on December 31, 1958; 17.4% of this sum was invested in Canadian and Provincial Bonds; 21.4% in Public Utility and Transportation Bonds; 31.2% in other bonds; 4% in Preferred and Common Stocks; 17.9% in mortgages and real estate held for investment or Company use; 8.1% in all other assets.

Surplus in the Policyholders' and Shareholders' Funds, Capital and Contingency Reserve increased by $769,358 to $7,365,995.

The Net Rate of Interest earned in 1958 was 5.22%. This is a satisfactory improvement over the corresponding rate of 4.97% earned in the preceding year.

If you would care to have a copy of the Company's Annual Report, please write or telephone the nearest **Monarch Life** Office.

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FULTON'S TALKS

U.S. Trust Busters Will Heed Canada

They'll now tell Ottawa before sticking anti-trust knife into Canadian companies . . .

From Our Own Correspondent

WASHINGTON, D.C. — From now on, Washington will let Ottawa know before it sticks an anti-trust knife into Canadian companies, rather than after.

This seems to be the one concrete accomplishment of Justice Minister Davie Fulton's four-hour lunch and conference with U. S. Attorney-General William Rogers.

This agreement for prior consultation, however, does not mean the anti-trust knife will not be thrust into Canadian companies anyway — it just means we'll know it is coming.

However small an improvement this may be, it is at least a step in the right direction.

If Canada hollers loud enough on the current radio and TV anti-trust case in which eight Canadian companies are involved and on future similar incidents, the consultation may become truly effective.

A somewhat similar arrangement was made four or five years ago for consultations on U. S. disposals of farm surpluses, and it is only recently that Canadian comments have become even moderately effective.

Here's what will happen from now on to minimize the bad effects of any apparent extra-territorial applications of U. S. anti-trust laws:

If the Washington trust busters plan to slap charges against a U. S. company for the actions of its subsidiary in Canada, they will first contact the Combines Branch in Ottawa explaining the case.

Ottawa then will be given a chance to make comments.

After these are received, the Washington trust busters will proceed with their case.

It is possible, however, and Canadian officials are hopeful, that the case might be moderated as a result of the prior consultation with Canada.

One official told FP: "There are three things that Washington might receive from us that would affect their handling of the case.

"They might get a correction of some of their facts. They might get additional facts.

"And they might get such Canadian comments that would affect the form of prosecution."

Attorney-General Rogers made it clear to Mr. Fulton that the U. S. government will continue to carry out the obligations of its laws.

And he said he disagrees with a New York State Bar Committee which argued that the president has authority under the Constitution to have his Justice Department refrain from prosecution in anti-trust cases which affect the foreign relations of the U. S.

The Rogers-Fulton meeting was friendly, frank as both strove to find a solution to the knotty problem.

The Attorney-General, who has been admonished by the State Department for not consulting with Canada before filing charges in the current radio and TV anti-trust action, took special pains to assure Mr. Fulton there was no attempt to interfere in Canadian affairs.

"There was no such intention on the part of our government," he said. "Our responsibility here is to enforce our laws as they are written, but I do think we have a responsibility to do this in a manner which is made understandable to our friends."

The Justice Minister brought to Washington his Combines chief, Thomas McDonald.

Unfortunately, if not significantly, the chief U. S. trust buster, Victor Hansen, Assistant Attorney-General who filed the case against the radio and TV makers, was not present at the meeting.

He was in New York making a speech.

Mr. Fulton arrived in Washington on the heels of a blistering attack on the extraterritorial application of U. S. anti-trust laws in a New York speech to the State Bar Association.

It was the most vigorous speech any Canadian cabinet minister has given in the U. S. and was greeted coolly, even frigidly, in Washington by both the Justice and State Departments.

"Bad taste" was a comment from one official who felt it would have been better for Mr. Fulton to talk to the Attorney-General first before loosing his New York blast.

Attorney-General Rogers admitted he had not read the speech, but Mr. Fulton said he gave Rogers the substance of what he had said.

The Justice Minister also said he had a spare copy if Mr. Rogers wanted one, but the Attorney-General declined.

The result of the talks between the top legal officials in Canada and United States may not have much effect on the specific case which started the furore over U. S. trust busters reaching into Canada.

The case against **General Electric, Westinghouse** and **Philips** for actions taken by their Canadian subsidiaries in forming a patents pool in Canada, will proceed on schedule.

Eight Canadian radio and TV companies are named as co-conspirators in the case.

If the trust busters win the case it could mean serious trouble for Canada's TV and radio making industry, because there might well be a sudden flood of imports from the U. S.

Washington's complaint is that the patents pool in Canada has prevented U. S. radio and TV companies from exporting to Canada.

Washington has said it started the case because it believes the patents pool was established in Canada by advice from the U. S. parent companies.

In his speech to the New York Bar Association, Justice Minister Fulton tore into this case and the general principle of the extraterritorial application of U. S. anti-trust laws with a cold fury.

Plainly angry, he demanded that the Washington trust busters be called off from chasing Canadian companies.

He made a vague hint that if the situation did not improve, Canada could pass a law "fencing out" effects of U. S. anti-trust efforts.

But he said it would be much better if the U. S. "fenced in" the extraterritorial effects of the trust busters' action so as to avoid such effects.

ANNOUNCEMENT

SIMPSONS-SEARS V.P.

H. A. CARDWELL

Gordon M. Graham, President, Simpsons-Sears Limited, announces the appointment of Mr. Cardwell as Vice-President in Charge of Merchandising. Currently general merchandise manager in charge of fashion lines in Montreal, Mr. Cardwell will take over his new duties in Toronto upon the retirement of L. J. McCarthy, now Vice-President—Merchandising. Mr. Cardwell, who joined the Robert Simpson Co. in 1932, was in charge of the mail order dress operation in Toronto at the time Simpsons-Sears was formed in 1953.

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COMBINES RULES CHANGING?

What the Man Said

Justice Minister Fulton's comments hint areas where he might change legislation . . .

Justice Minister Fulton, in his recent U. S. speech, said "it is probably desirable that we look at these (suggestions for changes) from time to time in order to assess the efficacy of our system of legislation."

While there is widespread agreement about the general objectives of our rules on combines, there is growing feeling among thoughtful and responsible people that reform is needed.

The following passages quoted directly from the Fulton speech tell something of what is on his mind; may indicate changes to come when combines legislation is amended.

Ed. Note.

By
JUSTICE MINISTER FULTON

"One criticism is to the effect that our legislation forbidding combines is so all-embracing, especially as interpreted by the courts, that many co-operative practices which in fact are not harmful but would indeed be beneficial to the public interest, are not followed because businessmen fear they would be subject to criminal prosecution and conviction if they were party to any such arrangement. Exchanges of statistics and agreement on product standards and specifications are given as examples.

"Actually no prosecution has ever been launched on the basis of participation in such arrangements alone. But since it is undoubtedly not the wish in either country to have laws which deprive the public of advantages which a little care and study would allow to become available, it may be desirable to see if some alternative approach could be adopted in respect of what I may call the peripheral areas.

"One possible approach might be, while preserving in full force and effect the per se rule against the price fixing and related type of combine — what I might call the obviously detrimental combine — yet to provide that a defence can be raised to charges in other areas. Thus if it is charged that a combine exists, not relating to price fixing, etc., it might be made possible to defend by proving that the measures actually taken or contemplated — for instance with relation to setting product standards — were not in fact contrary to the public interest.

"Another suggestion which we could look at would be to permit the issue in such a case to be tried in an action for an injunction as an alternative to an action leading to prosecution and conviction.

"There are also complaints that the provisions against mergers are so vague that a course embarked upon as a result only of honest business judgment, and not in any way dictated by greedy or anti-social motives, may yet result in criminal prosecution and conviction. Thus it is argued that amalgamations which are arrived at voluntarily, which produce beneficial results in terms of greater technical efficiency and thus cheaper production and a sounder competitive position, may yet result in a conviction because of a lack of clarity as to what may be admitted as argument or proof in respect of what is the public interest.

"Here again there may be room for a greater precision in the legislation for the guidance of both business and the courts. We might consider whether, while not relaxing the stringency of the provisions and penalties against those types of practice which are on the face of them anti-social or purely self-aggrandizing in their motivation, there could be greater certainty as to what types of activity in the peripheral areas are or are not permitted. Thus study could be given to the question of whether it should be allowed as a valid defence to show affirmatively that the merger was necessary to achieve economies of production or distribution which could not be achieved otherwise and which are likely to benefit the public; that a substantial degree of competition remains in the trade or industry, and that, on balance, the merger is unlikely to operate to the actual detriment of the public; or alternatively to show that, by reason of its financial position or otherwise, one of the merging firms is unlikely to be able to remain in business if the merger is prevented."

ANNOUNCEMENT

E. A. SCOTT

The appointment of Mr. E. A. Scott as Manager of the newly opened Ottawa Office of Gairdner & Company Limited is announced by Mr. H. V. Shaw, Vice-President and General Sales Manager. Mr. Scott was formerly an Account Executive of the Hamilton and district office of the Company and brings to this new appointment a broad background of business and investment experience.

U.S. Changes Tax Filing Regulations

OTTAWA (Staff) — For the first time U. S. citizens employed in Canada must file income tax returns if their incomes are over $600. But it doesn't necessarily mean they will be paying more taxes.

The limit is $1,200 for U. S. citizens over 65.

The change is the result of a revision in filing regulations and it applies to 1958. The deadline for filing is April 15.

The change will mainly affect U. S. citizens who earn money from "personal services."

Income from personal services received by a U. S. citizen living in a foreign country is exempt from tax.

Formerly the citizen could deduct income from personal services from gross income and decide whether to file a tax return on the basis of the difference between the two figures. If the difference was less than $600 he didn't have to file a return.

Now all U. S. citizens with incomes above the two limits must file returns.

If they wish to claim exemptions because of the "personal services" factor, they must show that they are entitled to the exemption.

The U. S. Embassy at Ottawa will help U. S. citizens with the new return.

Help will also be available at U. S. consulates in Montreal, Quebec, Toronto, Calgary, Edmonton, Regina, Winnipeg and Vancouver.

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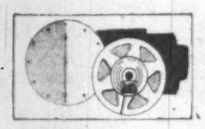

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YOU AND THE LAW

If you were the judge, how would you have decided this real Canadian court case?

When the Tire Blew

A car cut sharply in front of Evans. Annoyed, he immediately stepped up to pass the other car. A race developed.

Suddenly Evan's front tire blew, his car crashed into the ditch injuring his passenger, Read.

Read sued Evans for his damages.

Read claimed: "I was paying Evans $2 a week to drive me back and forth from work. Evans was negligent in that he was racing on the highway and he was operating his car on defective tires. The treads were so thin he should never have driven the car on these tires."

Evans replied: "The Highway Traffic Act states I am not liable for damages sustained by a gratuitous passenger. I was not in the business of carrying passengers for hire. I simply did you a favor and received a nominal sum in return.

"Further you knew my tires were thin and you assumed the risk involved.

"Finally, a blowout is unforeseen—an inevitable accident and not blameable upon anyone."

Would you allow Read to recover?

The court held that the car was operated for compensation and consequently Read's claim was not barred by statute.

Evans had been negligent in his manner of driving—his racing.

His tire had blown out but, the plea of inevitable accident was not established because clearly all reasonable precautions had not been exercised by Evans. He was driving on unsafe tires.

The only risk Read had accepted was that which would exist if the car was driven at normal, safe speeds.

Read collected his damages.

Based on a decision of the Ontario Court of Appeal.

By H. T. G. ANDREWS

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POST TRAVEL BUREAU

Where to go - how to go - where to stay

The Grand Duchy Has Royal Charm

Luxembourg perfect setting for your European holiday . . .

By BEATRICE RIDDELL

When you go to Europe this year, don't miss the "fairy tale" Grand Duchy of Luxembourg.

This tiny land — only 999 sq. miles in size — (less than half the size of Prince Edward Island) would make the perfect setting for a romantic operetta. There are medieval castles galore (most of them reputedly haunted), ancient monasteries and cathedrals.

But Luxembourg is also a modern, prosperous country. Thanks to its flourishing iron and steel industry, the country's 309,000 citizens enjoy a high standard of living.

Luxembourg City, the capital, is 110 miles southeast of Brussels and 175 miles northeast of Paris. Frequent air and electric-train services operate from both these capitals every day.

Return air fare from Montreal to Luxembourg ranges from $495.40 economy to $904 deluxe.

Accommodation is middle-priced by European standards. A double room costs $4 to $9 per day. Leading hotels are first class, not deluxe. But charm makes up for lack of luxury.

Food is outstanding and reasonable in price. For $5 or $6 you can buy a meal that would cost $10 in France.

Specialties include fresh trout and crawfish, Ardennes ham, jellied suckling pig, veal glacé in piecrust and succulent pastries.

Native wines, especially Moselle and black currant are excellent. And here is one of the few countries where the sale of absinthe is legal.

Currency is the Luxembourg franc — interchangeable here with the Belgian franc.

A warning: Spend all your Luxembourg currency before you leave the duchy, it is not accepted in Belgium.

Border formalities are simple. All you need to enter the country is a Canadian passport. You will find the people very friendly and helpful.

Sandwiched between France, Germany and Belgium, Luxembourg has been "pecked" at by the great powers of Europe all through history. In 1831, more than half of the old duchy was handed over to Belgium.

But even today Luxembourg retains its fierce national pride and individuality. Hitler expected to indoctrinate its people easily, but encountered instead one of the most active underground movements in occupied Europe.

One sign of this individuality is the Luxembourgers' insistance on maintaining their own language — Letzeburgesch. But English, French and German are also spoken throughout most of the country.

Situated on a high cliff overlooking the Alzette River is Luxembourg City.

Once considered the strongest fortress in Europe after Gibraltar, the city was composed of 53 forts all linked by 16 miles of rock tunnel.

The fortress was dismantled in 1867, but tours are now conducted through this former vast military stronghold.

One of Europe's most outstanding spectacles is the illumination of the city and Alzette Valley. The bright floodlights add a magic touch to the massive ramparts, arched stone bridges, and church spires.

Leading hotels in the capital include **Cravat, Grand Brasseur** and **Alfa.**

The surrounding country boasts some of Europe's finest scenery. In the north are the wooded Ardennes — lovely hill and forest land that Luxembourg shares with Belgium. Wild boar hunting and deer stalking are popular sports.

The middle section of the country is rolling farmland dotted with shining white-washed houses.

In the east are lush vineyards. There are wide rivers, ideal for fishing and canoeing.

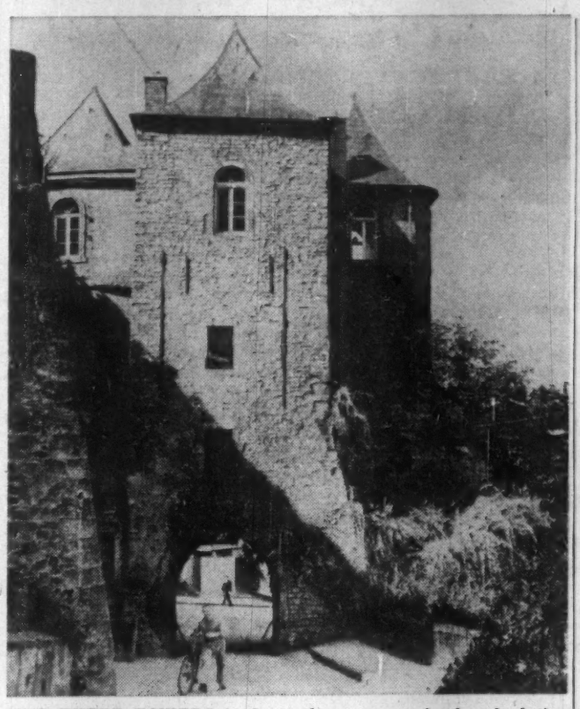
Since the country is so small you can see most of it by taking day trips from the capital. Roads are excellent.

In the north stop at Clervaux, Wiltz and Vianden (where you will see the 13th century castle of Luxembourg's ruling dynasty).

Other highlights include the Moselle Valley; Mondorf-les-Bains (a delightful spa); Echternach for the Benedictine Abbey founded by St. Willibrod in the eighth century; Larochette often called "little Switzerland" with its wooded hills and strange rock formations.

Throughout the country there are some charming hotels and inns famous all over Europe for their fine food. Plan your trips so you will be in the vicinity of some of these at mealtime:

Hotel Heintz in Vianden (a former monastery, it is old, unspoiled and boasts a magnificent "table"); **Hôtel du Moulin,** between Sandweiler and Oetrange (former farmhouse); **Hotel Hallerbach** in Haller (specializing in fresh trout); **Hotel Koren** at Clervaux; **Simmer's** in Ehnen on the Moselle; **Hôtel Grand Chef** at Mondorf-les-Bains; **Hôtellerie de Vieux Moulin** near Septfontaines.



THE THREE TOWERS in Luxembourg are a landmark dating back to 1050. They were once part of a chain of 53 forts to defend the Grand Duchy.

Travel in Brief

Canadian travel agents offer bargain train tours to New York for Easter. Cost from Toronto: From $39.50, including transportation, hotel room (double) and sightseeing.

• • •

Contruction is to start soon on a new Hilton hotel in Amsterdam. To be called **Amsterdam Hilton,** the 11-story hotel will have 279 rooms.

• • •

Rapid progress is being made with the $3-million development of **Negril,** the extensive shoreline in southwest Jamaica, into a new hotel and resort centre.

• • •

Learn to ski weeks at famous Sun Valley ski resort in Idaho start every Sunday up to March 29. Rates for seven days, including accommodation, meals, ski lessons, ski lift, swimming, dancing and other entertainment, range from $110 to $173.

• • •

Plans for a 215-room addition to the **Hotel Tequendama** in Bogota, Colombia, will make it the largest hotel in Latin America. The $1,250,000 expansion will give the Tequendama a total of 615 rooms. It is located in the Plaza San Diego, in the centre of modern Bogota.

• • •

The new luxury liner, Brasil, will sail from New York on May 14 on a 33-day "Northlands spring cruise," says **Moore-McCormack Lines.** The Brasil will visit eight countries, Norway, Sweden, Finland, Denmark, Germany, Scotland, England and Ireland, and call at 14 ports.

• • •

New 17-day excursion fare to Dominican Republic, with stopover privileges in Puerto Rico, is offered by **Pan American World Airways.** Providing the trip is concluded within 17 days, round-trip tourist class fare from Toronto is now $164, against previous fare of $237.80.

• • •

Some 959,325 passengers were carried between North America and Europe by member lines of the Trans Atlantic Passenger Steamship Conference last year. This is 7.1% below the 1957 record. Drop in European immigration to Canada is held responsible. Tourist business continued strong.

• • •

TCA carried more than 1,100 passengers each day last year on its routes between Toronto and New York, Chicago and Cleveland. All routes showed traffic increases over 1957, with the biggest increase between Toronto and New York—up 19%. The airline has 10 round-trip Viscount flights each day between Toronto and New York, six to Chicago and four to Cleveland.

• • •

Airlines offer winter reductions of 25% in tourist fare, or 18.5% economy, for group travel to Israel. For each of 35 or more adults traveling together (two half-fare children count as one adult) return tourist fare from Montreal is now $702 tourist or $670.50 economy. Roundtrip must be completed before March 31, 1959 or between Nov. 1, 1959 and March 31, 1960.

• • •

In four years since Ontario's Parks Division was set up, provincial parks have increased from six to 103. The visitor-count topped 3.5 million in 1958. Twenty-two more parks are planned. Important new roads and bridges to make these playgrounds accessible to millions more U. S. and Canadian visitors will be built. These include an international bridge at Sault Ste. Marie (to give access from Michigan to Lake Superior highway), bridge at Fort Frances-Rainy River and a road linking Sault Ste. Marie and Timmins.

Phone Jamaica Any Time Now

There is now a 24-hour telephone service between Jamaica and the outside world.

Through co-operation of the **Jamaica Telephone Co., Cable and Wireless (W.I.) Ltd.,** and **American Telephone and Telegraph Co.,** Jamaica can now talk to 25 countries in Europe, North, Central and South America. The Virgin Islands are also linked.

Previous "off island" phone service was limited from 8 a.m. to 7 p.m. with service extended to 9 p.m. during the height of the tourist season.

New tax on juke box music in Vienna's cafes and wine bars is aimed to stimulate business for local musicians. City fathers want to get back to the "live" music of the zither, violin and accordion for which Vienna is famed.

New Luxury Hotel Opens in Nassau

Nassau's newest luxury hotel, **Nassau Beach Lodge,** opens this week on a choice ocean-front property adjacent to the **Bahamas Country Club.**

The hotel is owned and operated by Canadians Frank, Joseph and James Crothers through the holding company **Robert Law (Bahamas) Ltd.**

Located on the property is a **Howard Johnson** restaurant—first unit of this famous chain to open outside the U. S.

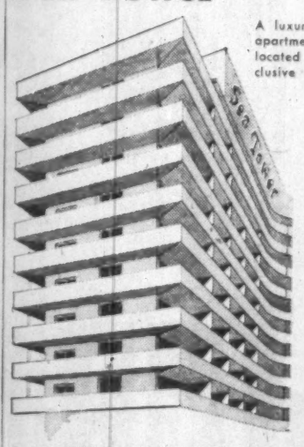
Through their agreement with Howard Johnson, operators of the hotel can take advantage of the chain's bulk buying facilities, thus cutting costs of many top-quality goods.

Special features of the 278-room hotel include: private terrace for every room, private beach, large outdoor swimming pool, lovely tropical gardens.

Rates including breakfast and dinner until mid-April range from $30 to $45 single, $40 to $70 double. European plan: $23 to $38 single; $26 to $56 double.

Summer rates will be 25% to 33% lower.

Sea Tower



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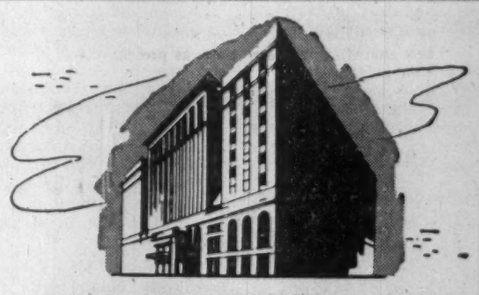

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MAURETANIA	Feb. 7, 27, Mar. 21, Apr. 7	—	West Indies Cruises
SYLVANIA	Feb. 6, Mar. 6, Apr. 3	Feb. 7, Mar. 7, Apr. 4	Cobh, Liverpool
CARINTHIA	Feb. 20, Mar. 20	Feb. 21, Mar. 21	Cobh, Liverpool
IVERNIA	Feb. 13, Mar. 12, Apr. 9	Feb. 14, Mar. 13, Apr. 10	Havre, London (Tilbury)
SAXONIA	Feb. 26, Mar. 26	Feb. 27, Mar. 27	Havre, London (Tilbury)
MEDIA	Mar. 13, Apr. 10	—	Liverpool
PARTHIA	Feb. 27, Mar. 26	—	Liverpool (Via Bermuda)
	FROM MONTREAL	FROM QUEBEC	
SYLVANIA	Apr. 29, May 21, June 12, July 3	Apr. 30, May 22, June 12, July 3	Greenock, Liverpool
CARINTHIA	Apr. 13, May 7, †29, †June 19, †July 10	Apr. 14, May 8, †29, †June 19, †July 10	Greenock, Liverpool
IVERNIA	*May 7, June 4, 26, July 17	*May 7, June 4, 26, July 17	Havre, Southampton
SAXONIA	*Apr. 23, May 21, June 12, July 3	*Apr. 23, May 21, June 12, July 3	Havre, Southampton

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YOUR TAXES

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You Can Claim for Theft But Not for Embezzlement

By JOHN G. McDONALD, LL.M.

IN A RECENT CASE the Tax Appeal Board has again dealt with the question of deductibility as a business expense of losses arising from misappropriation of firm funds.

The loss claimed by the taxpayer apparently arose through "the withdrawal of funds by a partner."

The board held that the deduction claimed was inadmissible because the loss fell on the taxpayer as an owner of the business, and was not incurred in the course of earning income.

Two years ago the rule in this area of the law was laid down in the case of General Stampings of Canada Ltd.

Although minor pilferings by employees are deductible losses, a major defalcation by the manager of a business is a capital loss.

In only two cases has a substantial theft or embezzlement loss been allowed.

In **Thayer Lumber Co. v. The Minister of National Revenue**, decided last year, $9,000 had disappeared from the company's safe.

The board held that because this occurred "in the usual course of operations," the loss was an ordinary business risk.

Earlier, in **Weidman Brothers Ltd. v. The Minister of National Revenue**, the board allowed deduction of the value of Victory Bonds lost in a burglary.

Mr. Fisher remarked at the time: "All companies in business run the risk of having their premises entered — and of losing cash and merchandise through the illegal operations of criminals. It is a hazard of business."

The line is drawn, however, when the burglar turns out to be the manager or owner of the business.

Goodwill Valuation Makes Tax Difference

In a current case involving the sale of a laundry (total price — $219,000), the board considered the important question of valuation of goodwill.

In the case under appeal, the taxpayer was anxious to establish a high goodwill value in order to reduce the amount of depreciation subject to "recapture" and therefore taxable.

The purchase price was not allocated among the constituent assets of the business, which left the matter open for dispute by the Department of National Revenue.

Goodwill has been variously defined as "the benefit and advantage of the good name, reputation and connection of a business," or the value of the probability that the old customers will continue to resort to the old place.

To both seller and purchaser of a business, it is a capital asset.

After taking into account the appellant's shortage of working capital, the possibility of competition, the prospective need for change in the method of operations and the condition of the laundry equipment, the board reduced the appellant's estimated goodwill value of $77,000 to $25,000.

Are Your Customers Cats, Dogs or Rats?

The other type of case in which an accurate appraisal of goodwill is essential involves the sale of a business to a company of which the seller is a shareholder — usually the controlling shareholder.

If goodwill is **overvalued** in such a case, the seller is subject to tax on the excess, which is a "benefit" conferred upon him by the company.

The burden of tax in this situation is particularly annoying if the purchase price of the business was paid in stock of the company.

The Department demands cash, and the stock may not be saleable or of sufficient value to support a secured loan to the shareholder.

The real value of goodwill in particular cases has been held to be governed by the type of business carried on and the type of customer attracted by it.

In an Australian case, customers were classified zoologically for this purpose as cats, dogs, rats and rabbits.

The goodwill value of your business is high or low, depending upon the type of beast attracted to your door.

"The cat prefers the old home to the person who keeps it, and stays in the old home although the person who has kept the home leaves, and so it represents the customer who goes to the old shop whoever keeps it, and provides the local goodwill.

"The faithful dog is attached to the person rather than to the place; he will follow the outgoing owner if he does not go too far.

"The rat has no attachments, and is purely casual.

"The rabbit is attracted by mere propinquity. He comes because he happens to live close by and it would be more trouble to go elsewhere."

The analogy demonstrates the importance of adopting a realistic view in valuing a trade.

For example, large merchants are usually patronized by cats, and therefore enjoy a valuable goodwill.

The owner may leave but the customer will continue.

On the other hand, the small merchant usually does business with rabbits — although he may attract a few faithful dogs — and his goodwill should be measured largely by the density of the local rabbit population and the number of other rabbit fanciers in the neighborhood.

A Londoner's *Financial Notebook*

News and views on the British securities markets, specially written for FP by one of London's distinguished financial writers.

Expectations of a further cut in Bank Rate have helped the bond market, but most other sections have been quiet and irregular.

The prospect of a general election some time this year has been looming larger in investors' minds.

Steel shares in particular have been affected, as the Socialists have threatened to renationalize the industry if returned to power.

Retail sales, which reached a record level in December, remain satisfactory, but there is so far no sign of any major upturn in manufacturing industry.

Bank deposits have also reached a new peak, and advances have increased following the ending of the credit squeeze in the latter part of 1958.

The main banks are using the new-found freedom to improve their services.

The latest innovation is drive-in branches, where customers can transact banking business without getting out of their cars.

Although the freight market remains depressed, there has been a modest decline in the volume of shipping laid up in the U. K.

Between Dec. 1 and Jan. 1 the number of idle ships declined from 270 to 251.

Elsewhere on the economic front, the Export Credits Guarantee Department covered 7% more commercial business last year than in 1957, though U. K. exports as a whole dropped by some 3½%.

* * *

All the industrial activities of the **Hawker Siddeley Group,** parent company of **A. V. Roe Canada,** have been brought together under one industrial company, **Hawker Siddeley Industries.**

Parallel to this development a new subsidiary, **Hawker Siddeley Aviation,** has been formed to take over the corporate structure of the group's aviation division.

Both these companies will come under the chairmanship of Sir Roy Dobson, Hawker Siddeley's managing director, who has been largely responsible for the streamlining of the group's structure and management.

One of the joint managing directors of Hawker Siddeley Industries will be a Canadian, Arthur Frampton. He was a vice-president and general manager in the John Inglis-English Electric Group in Canada in the early 1950s, before going into the consulting field.

This company will take over all the Hawker industrial subsidiaries, together with the companies of the Brush diesel and electrical engineering group, which Hawker acquired in 1957.

Discussions have been going on in London between the Hawker Siddeley board and their advisers on a proposed issue of £15 million (about $40 million) of convertible debentures.

The money will be used to fund bank loans and to put the finances of the U. K. side of the Group on a sound long-term basis.

Although more money will be needed in Canada as expansion develops, the Hawker board now regards the Canadian side as strong enough to cope with its own financial problems.

* * *

The past few weeks has seen a recovery in the man-made fibres industry. Improved retail demand and the rebuilding of manufacturers' stocks have both contributed to an improved level of output.

Meanwhile, **British Nylon Spinners,** which is jointly owned by **Courtaulds** and **Imperial Chemical Industries,** has bought its third U. K. plant for nylon yarn production. This is at Brockworth, near Gloucester, and the company is taking over a Ministry of Supply factory which had been let to a Hawker Siddeley subsidiary.

B.N.S. has already taken possession of a small part of the site and conversion is taking place. The buildings cover a total of 650,000 square feet and it is hoped to reach full-scale production by mid-1961.

The company is already Europe's largest producer of nylon yarns and development of the new plant should help to maintain its position. Up to 2,000 workers will be employed.

* * *

While these plans are being made to increase output of an important man-made fibre, the U. K. cotton textile industry faces a further contraction.

The Restrictive Practices Court has ruled that the price-fixing system operating in the spinning section of the industry is against the public interest. In Lancashire, more mill closures are already being forecast.

For some years, the central problem facing Lancashire has been that productive capacity has been too large in relation to the reduced level of demand.

Exports have been falling off, while imports of cloth from other productive countries have increased. In 1958, imports of cotton cloth exceeded exports for the first time in 200 years.

The Court took the view that if competition among spinners had been free over the past six years, excess capacity might have been eliminated without serious disturbance to the labor market.

It may take some time for the full effects of the decision to be felt, but it appears certain that some further contraction in the cotton industry will follow.

U. K. Stocks

(Supplied by Ronald D. Smith & Co., Toronto.)

Here are representative issues traded in Canada (quotations are in Canadian dollars):

	—Recent— Bid	Ask	Jan. 12 Bid
	$	$	$
Bowater Paper	6¼	6⅜	5⅞
British Aluminium ..	11	11⅛	10⅞
British Petroleum ..	7¼	7⅜	7⅛
Courtaulds	4.20	4.40	4.40
Daily Mirror	2.95	3.15	2.85
Ford of England ...	7	7¼	6¾
Hawker Siddeley ..	4.40	4.60	4⅛
Hudson's Bay Co. ..	24¾	24¼	24¼
Imperial Chemical .	4.65	4.95	4.80
Stewarts & Lloyds ..	3.35	3.70	3.65

ANNOUNCEMENT

J. R. MILLEDGE

The appointment of Mr. J. R. Milledge as Manager of the newly opened Halifax Office of Gairdner & Company Limited is announced by Mr. H. Y. Shaw, Vice-President and General Sales Manager. Mr. Milledge, with many years of experience brings to this new appointment a broad general knowledge of the investment business. He is well known throughout Nova Scotia and in the other Atlantic Provinces.

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This booklet contains a list of dividends paid by Canadian companies during 1958. Get your free copy of *THE DIVIDEND RECORD* by writing, telephoning or calling at any of our offices.

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Members of all stock exchanges in Canada
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The Bank of Nova Scotia

Subscription Rights

Shareholders of record December 12, 1958, have the right to subscribe for Capital Stock on the basis of one new share at $40.00 per share for each 5 shares held. We recommend shareholders to subscribe for the shares to which they are entitled.

Other investors may purchase rights through us at the market price and subscribe for the new shares on the same basis as present shareholders.

Rights not being exercised may be sold through us at the current market price.

Our facilities are at the disposal of all who wish to exercise, buy or sell rights. Inquiries are invited.

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Equitable Life Reports Year of Good Gains

Balance Sheet, December 31, 1958

ASSETS

Bonds	$10,024,994
Stocks	212,384
Mortgages and Sale Agreements	22,309,452
Real Estate	25,000
Loans on Policies	1,485,111
Shares of Company's Capital Stock	132,925
Cash on Hand and in Banks	207,825
Premiums in Course of Collection	146,198
Interest Due and Accrued	188,891
Other Assets	55,916
TOTAL ASSETS	$34,788,696

LIABILITIES

Insurance and Annuity Reserves		$28,926,436
Provision for Unpaid and Unreported Claims		411,884
Policy Proceeds and Other Amounts Left with the Company at Interest		1,768,726
Dividends Allotted to Policyholders		340,865
Taxes, Expenses and Accounts Due and Accrued		50,309
Other Liabilities		682,460
Contingency Reserve		550,000
Capital Paid In	$327,155	
Shareholders' Account	236,111	563,266
Unassigned Surplus		1,494,750
TOTAL LIABILITIES		$34,788,696

New Business	$ 23,329,802	up 17%
Annuities	5,208,444	up 34%
	$ 28,538,246	
Insurance in Force	$155,257,009	
Annuities in Force	17,874,756	
	$173,131,865	

Net rate of interest earned increased to 5.06%

THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA
PROTECTION
HEAD OFFICE — WATERLOO, ONTARIO

Canada Permanent Issues New Scrip

Trading in scrip certificates of **Canada Permanent Mortgage Corp.** began this week.

Transfers of the new certificates, which replaced the old book stock, may be made at company offices in Vancouver, Winnipeg, Montreal and Halifax, as well as at the Toronto head office.

Shareholders took up the entire recent offering of 100,000 new $10 par shares at $35, on a one-for-seven basis (FP, Sept. 27).

Recent price: $61½.

THE CITY OF MONTREAL

Issues of Debentures: $18,000,000

CALL FOR TENDERS

The City of Montreal (hereinafter referred to as the "City") hereby calls for tenders for the purchase from it of $3,000,000 principal amount of its "Serial Debentures, 1959 Issue for Public Works", $6,900,000 principal amount of its "Sinking Fund Debentures for Public Works due March 1, 1971", and of $8,100,000 principal amount of its "Sinking Fund Debentures for Public Works due March 1, 1979" hereinafter referred to collectively as the "Debentures", in the denomination of $1,000.00 each, dated as of March 2, 1959, and payable in lawful money of Canada, as shown hereinafter:

$3,000,000 "Serial Debentures, 1959 Issue for Public Works"		$6,900,000 "Sinking Fund Debentures for Public Works due March 1, 1971"		$8,100,000 "Sinking Fund Debentures for Public Works due March 1, 1979"	
Maturity Date March 1	Principal Amount	Maturity Date March 1	Principal Amount of Obligatory Retirement	Maturity Date March 1	Principal Amount of Obligatory Retirement
1960	$300,000	1960	$525,000	1960	$ 75,000
1961	300,000	1961	525,000	1961	75,000
1962	300,000	1962	525,000	1962	75,000
1963	300,000	1963	525,000	1963	75,000
1964	300,000	1964	525,000	1964	75,000
1965	300,000	1965	525,000	1965	75,000
1966	300,000	1966	525,000	1966	75,000
1967	300,000	1967	525,000	1967	75,000
1968	300,000	1968	525,000	1968	75,000
1969	300,000	1969	525,000	1969	75,000
		1970	825,000	1970	75,000
		1971	825,000	1971	75,000
				1972	900,000
				1973	900,000
				1974	900,000
				1975	900,000
				1976	900,000
				1977	900,000
				1978	900,000
				1979	900,000

Interest on the debentures shall be payable semi-annually on March 1 and September 1.

The "Serial Debentures, 1959 Issue for Public Works", in the total principal amount of $3,000,000 are not redeemable prior to maturity.

The Sinking Fund Debentures are redeemable at the option of the City, in whole or in part, on March 1, 1969, or thereafter, on any interest maturity date, on not less than 30 days nor more than 60 days prior notice, at 104% of their principal amount thereof together with accrued interest to the redemption date.

The City must, however, redeem for purposes of obligatory retirements, the sinking fund Debentures in the amount and at the dates as determined in the above table at 100% of their principal amount and the accrued interest thereon.

The City has the right to satisfy in whole or in part, its obligations with respect to its said obligatory retirement of debentures, by purchasing debentures at any time or from time to time, by mutual agreement, at a price not exceeding 100% of the principal amount together with accrued interest.

The proceeds from the sale of the Debentures will be applied to the payment or reimbursement of the cost of projects constructed, being constructed and to be constructed by the City.

Tenders must be for the purchase of the whole of the Debentures of the three Issues and not for one or the other of such Issues, nor for part or parts of such issues.

Tenders shall specify one nominal rate of interest for each maturity of the three Issues and one price to be paid to the City for all the Debentures, such rate of interest to be a multiple of ¼ of 1% and not to be less than 4% nor to exceed, in accordance with City By-laws, 5½% and such price not to be less than 96.00% of the principal amount of the Debentures. The payment must be made in Montreal in lawful money of Canada and the delivery shall be made in Montreal on March 2, 1959.

Each tender must be accompanied by a certified cheque or cheques aggregating $900,000 representing a deposit of 5% of the principal amount of the Debentures, payable in lawful money of Canada in Montreal and drawn to the order of the City.

In the case of a tender made by a group of tenderers, the obligations of the tenderers shall be joint and several and each member of the group shall sign the form shown in annex "A" of the form for tender. Each tender must be made on a Form of Tender enclosed in a Tender Envelope, both to be supplied by the City, and must be delivered at the office of the Executive Committee of the City, Room 212, City Hall, Montreal 1, P.Q., Canada, before 1.00 o'clock p.m. Eastern Standard Time, on February 9, 1959.

Copies of By-laws of the City, authorizing these issues, Form of Tender for Debentures, Tender Envelope, Forms of Debentures with coupons, Schedule of the Description of Debentures and information relating to the financial position of the City are available upon application to the City Clerk, City Hall, Montreal 1, P.Q.

No prospective tenderer or any affiliate of such prospective tenderer may participate in any other tender for the Debentures.

All tenders for the Debentures will be opened by the Executive Committee of the City at a meeting to be held in Room 212, City Hall, Montreal 1, P.Q., Canada, at 1.00 o'clock p.m., Eastern Standard Time, on February 9, 1959. Each tenderer may be present or represented at the opening of the tenders.

Subject to the right of the City to reject all tenders, the City will accept the tender which will result in the lowest effective rate of interest for the Debentures.

Tenders will be accepted or rejected before five o'clock in the afternoon, Eastern Standard Time, on February 9, 1959. Any tender not accepted by such time will be deemed rejected. If two or more tenders are identical in result as to the lowest effective rate of interest, the City may, at its discretion, accept anyone of such tenders.

If a tender is not accepted, the City forthwith will return to the tenderer the cheque or cheques deposited with such tender.

If a tender is accepted, the cheque or cheques deposited by the successful tenderer shall be applied, without interest, on account of the purchase price of the Debentures.

The City will pay all expenses in connection with the preparation, issue, execution and delivery of the Debentures, and will furnish all necessary documents to establish the validity of the issues and the authority of the City to create these issues and will provide all financial statements and other information necessary for the purpose of the public offering of the Debentures in Canada.

All other details relative to the conditions of the sale of the Debentures and to the respective obligations of the City and of the tenderers are contained in the Form of Tender hereinabove mentioned.

City Hall,
Montreal, January 31, 1959

THE CITY OF MONTREAL
CHARLES-EDOUARD LONGPRÉ,
City Clerk.

Now We're Ready to Start Tough Talks on Columbia

By MICHAEL BARKWAY

OTTAWA (Staff) — There is one field where Canada's relations with the United States are at last getting onto the right track after years of misunderstanding and bitterness.

It is the Columbia River.

The two governments have started to tackle the problem of deciding how the great power potential of the Columbia Basin should be divided between them.

They have charged the International Joint Commission to recommend the principles on which we should share "the benefits which will result from the co-operative use of storage of waters and of electrical interconnection."

It has taken a long time to get to this point.

One reason was that the U. S. government could not bring itself to admit that it would have to make a fair return to Canada for the use of Canadian storage which will give the U. S. a huge increase of power with virtually no cost.

Another reason was the incomprehensible vacillation of the late Liberal cabinet.

Now things are back in the hands of the International Joint Commission, where the experienced hand of General McNaughton can look after the Canadian side and the U. S. commissioners, headed by the former Secretary of the Interior, Mr. Mackay, have an equal grasp of realities.

The clear moral of the unhappy past years is that nobody ever got anywhere by pussy-footing, least of all when dealing with people as self-assured as the U. S. Government.

The reason for optimism now is not that any of the major problems have been solved. It is simply that the way is open for the inevitable bargaining, and there is every sign that it will be realistic and tough.

What sort of bargain should Canada try to conclude?

First, we must admit that in the immediate future we have less need than the United States for power from the Upper Columbia.

This being so, Canada has nothing to gain by playing dog-in-the-manger. General McNaughton and his Canadian associates lead from a position of great strength.

Canada has the absolute right to develop the river as it likes or not at all, to let it run unregulated across the border or to divert it, but our unusual position of dominance imposes an obligation. Canada must not take unfair advantage of it. This is the time to be scrupulously fair, even generous. We should offer the United States a fair deal according to the pattern of previous agreements.

This pattern is remarkably consistent: It is an equal sharing of both costs and benefits — 50% to each.

In offering such an immediate bargain, however, Canada must of course safeguard our future rights.

For a time will come, 25 or 35 years hence, when we shall need all the hydro-electric power which providence has put into our hands in the B. C. rivers.

We would be foolish, and wrong, if we tried to prevent beneficial use of the Columbia waters — now when the Pacific Northwest states most desperately need them — merely to preserve them for Canadian use in the future.

But there must be a price for Canadian assistance in the present generation. That price must include an absolute and binding acceptance of Canada's right to recapture the use of its own waters in the next generation.

A bargain on these lines must be most welcome to the power-hungry northwest states. It will carry them through their present critical power shortage, and it will give them plenty of time to make other provision for the future.

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SOL EISEN

Who since becoming associated in Toronto with The Canada Life Assurance Company in 1936 has been specializing in Deferred Executive Compensation Plans, Business Insurance and Employer-Employee Benefit and Pension Plans. Mr. Eisen is the author of booklet on "Pension Planning" first published in 1950.

BUSINESS IN EUROPE?

Former Financial Executive of large company, well connected both in Canada and abroad, leaving on a four or five week trip to Europe March 15th, is prepared to undertake an assignment on behalf of a reputable company, preferably involving financial investigation, preliminary contract negotiations, or exploratory trade discussions.

Box 767
The Financial Post, Toronto

ANNOUNCEMENT

DOW KINGSBEER APPOINTMENT

CLIFFORD H. BOWERING

Whose appointment as Ontario Public Relations Manager for Dow Kingsbeer Brewery Limited has been announced by W. J. Beaupre, Ontario Sales Manager. Mr. Bowering is a former reporter with a leading Eastern Ontario newspaper and gained wide experience in the public relations field while serving as an officer with the Directorate of Public Relations in the Canadian Army (Regular). His headquarters with Dow Kingsbeer will be in Toronto.

Rome Fair Invites Canadians

Canadian companies are being invited to participate in the sixth International Electronic and Nuclear Exhibition in Rome from June 15 to July 5.

Scientific meetings will work in three areas: nuclear, electronic and the scientific applications of photography.

Further information can be obtained from the organizers at Via Fontanella Borghese, 28, Rome.

Hannover Fair Big Showcase For World Trade

Canadian businessmen will see an impressive range of products at the German Industries Fair which opens at Hannover on April 26.

The fair, which in the last 10 years has become an increasingly important meeting place for world buyers (in 1958 there were 1.5 million visitors from 90 countries) will display goods and equipment of 4,300 German and foreign firms.

The electrical, radio and television, automotive, jewelry, clock and watch, china and ceramics, glass, cutlery, camera and precision instrument, office equipment and building goods industries will be featured.

LABOR ROUNDUP

Why You Should Study Massey-Ferguson Fight

By RAY MAGLADRY

One of the most significant labor-management tussles in years has been closed out.

It was done without much fanfare, no strike or wildcatting or slowdowns marked negotiations.

The monetary changes were pretty much within the industry pattern, or slightly better for the union.

But the new, three-year agreement between **Massey-Ferguson** and Auto Workers Union is probably unique in industrial relations field of recent years.

Here's why:

A determined management rolled back the clock on a long list of contract provisions which the company claimed were costly, caused inefficiency through hamstringing management in what should be its normal functions.

Apparently, company negotiating team took a stand that nothing less than "relief" from these provisions would lead to a wage package offer acceptable to union.

It made its point.

Now, industrial relations officials are looking closely at what happened at Massey-Ferguson.

Implications are real for other companies which have "traded their management rights" over the years in order to hold wage levels in line or clean up negotiations quickly.

The rub: Loss of management functions, or interference with them, can be costly too.

It shows up eventually in balance sheets, and in dollar terms that far exceed any temporary gain obtained in giving them away in the first place, according to some observers.

Here are some of the things changed in the new Massey-Ferguson agreement:

- **Specification of grievances,** in terms of what clauses are violated, to avoid the previous vague charges by union officials.
- **Plant rules eliminated,** returning to management its right to make rules.
- **Management** can now hold a man out of line of seniority because of his skills, subject of course to grievance procedure. Previously this called for plant committee discussion and decision.
- **Management gains right** to pre-determined standards, reducing industrial engineering needs.
- **Company now sets rate** for new classification, subject to grievance process. Previously, company had to negotiate with union on the rate.

There are several others in same vein, returning to management functions it considered had been progressively lost or tampered with previously.

Labor observers are impressed with the speed and apparent smoothness of negotiations, in view of company stand and fact it was apparently on the offensive.

It could herald a new look being taken in other quarters, not only at non-monetary contract provisions, but at management's traditional "defensive" approach to negotiations.

* * *

Lots of hard bargaining still going on in the simmering oil and chemical labor field.

Potential trouble spot now:

At **Polymer Corp.** in Sarnia where company is mixed in a double-barreled fight against rising costs and sliding world market prices for rubber.

The aggressive Oil, Chemical & Atomic Workers Union is after a 10% pay hike at Polymer. While union might lower its demands, it is not likely to submit to hold-the-line thinking.

On the other hand, Polymer feels it must hold wage costs in line.

World rubber markets have recently seen buildup of big surpluses, tougher competition all around and lower prices.

A conciliation board majority report (signed by union nominee) made no wage recommendation, but referred issue back to both parties for more bargaining.

The board report fails to give adequate weight to market conditions, Polymer President E. R. Rowzee says. Only one third of company's production is sold in Canada.

Elsewhere, new synthetic rubber plants in Germany, Italy and U. K. are now factors and supply is growing.

Polymer argues that, as sole Canadian competitor in world rubber market, its wage levels cannot be judged in relation to any particular Canadian industry.

Even so, wage levels until now have been comparable to the chemical and oil refinery industries, company says.

* * *

Teamsters Union has lost control of drivers for **Crescent Creamery** in Winnipeg, members of a local that produced the celebrated John Tunney case.

Tunney, once a Crescent driver, lost his job when ousted from union over 10 years ago, but won a $5,000 damages and costs award after litigation all the way to the Supreme Court.

Now, Manitoba Labor Board has killed bargaining rights of Teamsters local for Crescent drivers.

The employees had presented a petition, signed by 72 of the company's 110 delivery men, to the board.

It stated a wish to get rid of Teamsters, alleging they were being poorly served and neglected.

A board-supervised ballot among employees resulted in a vote against Teamsters.

Don't Look for Big Sweep In Ontario's Labor Laws

The odds are against sweeping changes in Ontario's Labor Relations Act at this time.

That is suggested by initial reaction of the government to the report of the legislature's select committee tabled this week.

The report urges some radical changes in the Act.

Some are unpalatable to both management and labor.

Criticism of certain recommendations in the report by both union and industry spokesmen has been tinged with alarm at the prospect of immediately overhauling present legislation.

"It is to be questioned whether any immediate drastic revisions would be in the interests of industrial peace in the province," Thomas Edmondson, Ontario Division Chairman of CMA, said.

Both labor and management had criticized certain parts of the Act, but basically "it has been good legislation," he pointed out.

One recommendation — and one of the more controversial— which the committee made was that government should have wider powers to intervene in industrial disputes.

It would do this through a cabinet-appointed inquiry commission which would intervene where public interest is affected.

Both sides have more or less opposed such powers.

On other recommendations, labor and management are at odds.

- **The committee urged** that appeals be permitted from labor relations board decisions on questions of law, fact only, or a mixture of fact and law.

Now, appeals are not allowed, although they are sometimes taken on grounds board has exceeded its authority.

Unions are opposed to appeals, but it gets support generally from management groups.

- **It would give labor board powers** to penalize parties which do not bargain in good faith, and to look into charges of dismissal or discrimination.

Board would issue cease-and-desist orders. This is a concession to union arguments against use of the courts to obtain satisfaction.

It's not practical to set up the board as an enforcement agency, an industry spokesman told **FP**.

Enforcement of any statute should rest with courts, not an administrative body.

- **Report would permit** appeals to labor board from employees who have lost jobs because of expulsion from unions.

This is only a small step in the right direction, argues management.

- **Unions' present rights** in certification matters are hurt by one recommendation.

Now, union must only show board it has 55% of employees signed up.

Recommendation would call for unions showing 75% signed up and board would call for vote if certification is challenged.

- **Voluntary revocable dues checkoff** is recommended where majority of employees vote for it in secret ballot.

Unions have been campaigning hard for this, have got some form of checkoff provision in 95% of labor contracts in Ontario.

Under current legislation, it's a matter for collective bargaining, not of law.

- **Strikes and picketing** would be banned in jurisdictional disputes and labor board would have power to resolve such disputes if asked to do so.

Picketing would be illegal if board branded a strike unlawful.

Canadian Banks Rate in Top 10 Of North America

Three Canadian banks rank among the 10 largest in North America, according to a recent compilation undertaken by the American Banker.

Eight of the Canadian banks rank among the biggest 41 out of a total 310 Canadian and U. S. banks.

Royal Bank of Canada with assets at almost $4.1 billion is fourth; **Bank of Montreal** ($3.4 billion) is fifth; **Canadian Bank of Commerce** ($2.8 billion) is ninth.

Bank of Nova Scotia with assets of $1.7 billion is 17th; **Toronto-Dominion** ($1.6 billion) is 21st; **Imperial** ($964 million) is 28th; **Canadian National** ($721 million) is 41st; **Provincial Bank** ($312 million) is 104th.

Largest U. S. bank is **Bank of America** with assets at $10.3 billion. Then comes **Chase Manhattan** ($7.4 billion) and **First National City Bank of New York** ($7 billion).

GERMAN INDUSTRIES FAIR

Hanover — April 26 - May 5, 1959

Is called the East-West shop window where latest technological progress and industrial advances in capital goods, equipment and consumer goods are shown to the best advantage by over 4,000 manufacturers. Last year's attendance in excess of 1.5 million visitors including 70,000 from 90 different countries.

Make your reservation NOW! For full information, write, wire or telephone:

The TRIMONT CORP. LTD., MONTREAL, Que.
1170 Drummond St., Phone UN. 6-3088
TORONTO: R. F. Lederer, 98 Glenview Ave. HU. 1-3504.
VANCOUVER: Geo. J. Bersden, 1485 Davie St., PA. 7050.
CALGARY: C. A. McNutt, 809 8th Ave. AM. 6-3120.
WINNIPEG: Ian L. Wilson, P.O. Box 121, Station "C" Tel. 42-4808.

INDUSTRIAL ACCEPTANCE CORP., Jan. 23, had 2,733,151 common shares outstanding.

INTERNATIONAL NICKEL CO. CANADA LTD. has issued an additional 50 common shares under options to employees raising number of common shares outstanding to 14,584,275 at Jan. 22.

ANNOUNCEMENT

CONFEDERATION LIFE APPOINTMENTS

R. E. MALONE — W. J. PRATT

Appointment of R. E. Malone as an associate treasurer is announced by Confederation Life Association. Mr. Malone has been with the bond and stock investments department for 24 years, latterly as manager and assistant treasurer. Named personnel executive is W. J. Pratt, who joined Confederation Life in 1932. As associate claims executive he was formerly responsible for policyowners service.

ANNOUNCEMENT

MODERN POWER & ENGINEERING APPOINTMENTS

ROYDEN C. GOLDING

Royden C. Golding, M.Sc., P.Eng., has been appointed editor and manager of Modern Power and Engineering, the Maclean-Hunter business publication serving the power field. Editor of the publication since 1953, Mr. Golding was previously efficiency engineer at the Richard L. Hearn Steam Plant in Toronto. Prior to this, he gained executive experience as manager and chief engineer of the Municipality of Southend-on-Sea, England, a city of 150,000. Since joining Maclean-Hunter, he has travelled widely in the U.S., U.K. and Canada for Modern Power and Engineering.

W. W. (BILL) LAMBERT

Mr. W. W. (Bill) Lambert, has been appointed Advertising Manager of Modern Power and Engineering. Since joining Maclean-Hunter Publishing Company in 1949, Mr. Lambert has been sales representative for Style and Men's Wear and for the past four years has been Eastern Advertising Manager for Modern Power and Engineering. He brings to his new position broad and successful experience in selling advertising in the Montreal and New England territories. Mr. Lambert is also well known as a writer on outdoor sports and conservation.

A. DOUGLAS KAILL

A. Douglas Kaill, B.Sc., P.Eng., has been appointed Assistant Editor of Modern Power and Engineering. Mr. Kaill spent a number of years in the advertising, sales promotion and editorial fields prior to World War II, then served five years with the Canadian Corps of Signals. After graduating from Queen's University in 1950, he joined the engineering department of Canadian Industries Limited in Kingston, Ontario. He later transferred to Canadian Westinghouse Company Ltd., where he worked in the electrical apparatus and atomic energy divisions.

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TCA FLY NOW PAY LATER

Winnipeg Bright Spot For Transit Earnings

Passengers down and costs up, but profit rises . . .

From Our Own Correspondent

WINNIPEG—The outlook for urban transit systems isn't all bleak, despite a trend to fewer passengers carried and rising costs.

A good example is the **Greater Winnipeg Transit Commission.**

For 1958 the Commission reports a profit of $601,815, compared with previous year's $226,812.

Operating costs were reduced by $152,510 from those of 1957.

The latest profit was the largest made by the Commission in its six-year history, despite a 5.5% drop from 1957 in number of passengers carried.

In the last four years there has been a steady decline in the number of passengers carried.

Company's annual report says there may be a slim profit in 1959, and a possible deficit in 1960 if the decline continues and operating costs keep going up.

Last year the transit system enjoyed its first 12-month period free from its commitment to pay 1/30c per seat mile as tax.

The tax, payable since the Commission's incorporation, averaged about $225,000 yearly. It was discontinued at the end of 1957.

On April 10, 1957, fares were increased to 15c straight. Previously two tickets were sold for 25c.

In 1958 a savings of $25,000 was realized on license fees for system's vehicles.

Instead of paying the usual registration fee for public service vehicles, the Commission was granted the same status as municipal corporations permitting it to pay only $1 for each of its vehicles registered.

Sixth annual statement of the transit system warns that the day may not be far distant when a year will end in the red.

In this eventuality the deficit would be borne by Winnipeg and its 13 suburban municipalities, the city paying 65% and the suburbs paying the balance of 35% divided on a basis of population.

The municipalities cannot split the surpluses that have accumulated from transit system's profits.

Under the Commission's Act of incorporation surpluses are placed in a rate stabilization fund which now totals $828,627.

The fund can only be drawn upon to make up deficits when they occur, and so long as money remains in the fund there can be no application for a rate increase.

Commission reports increasing difficulty in providing adequate rush-hour service in heavy traffic areas, due to the growing number of registered motor vehicles (90,000 new registrations in Greater Winnipeg in 1958 alone).

One suggested solution by the Commission is to give transit buses exclusive use of curb lanes throughout metropolitan Winnipeg.

Another suggestion was the exclusive use of specified streets for bus traffic.

Transit system's total operating revenue in 1958 was $8,205,727. Operating expenses were $6,380,395, and other costs $1,231,525.

Here are operating statements for 11 major Canadian urban transit systems in 1957:

	Operating Revenue	Operating Expenses	Net Operating Revenue Deficit	Net to Rev.
	$	$	$	%
Toronto Transit Commission	37,768,640	33,180,861	4,587,779	12.1
Montreal Transit Commission	34,974,450	33,202,977	1,771,473	5.1
B. C. Electric Railway	12,834,148	14,022,174	*1,188,076	...
Greater Winnipeg Transit Commission	7,983,235	7,756,423	226,812	2.8
Hamilton Street Railway	3,608,443	3,234,884	373,559	10.4
Quebec Autobus Ltd., Quebec	3,282,636	3,194,708	87,928	2.7
Calgary Transit System	2,838,684	2,893,275	*54,591	...
Ottawa Transportation Commission	4,699,174	4,500,774	198,400	4.2
Edmonton Transit System	3,157,923	3,423,406	*265,483	...
Regina Transit System	1,060,584	1,137,508	*76,924	...
Nova Scotia L. & P., Halifax	1,781,997	1,861,322	*79,325	...

*Loss or deficit.

Morgan Dividends Increased

MONTREAL (Staff) — Big Quebec-based department store chain, **Henry Morgan & Co.,** has raised its annual dividend rate on common stock to $1 per share (90c before).

Reason, company officials say is steadily improving volume of business and good financial results obtained in 1957-58 fiscal year.

Results for 1958-59 are not yet available. The company's operating year ended Jan. 31. Details are not expected to be announced before the end of this month.

In 1957-58 company had a net profit of $1.1 million or $2.23 per common share.

The higher dividend rate comes into effect March 2 with payment of 25c share to holders of record Feb. 12. Company previously paid 22½c a quarter.

At mid-week, Morgan common was trading at 28½. Range for 1958 to the present is 16½ low, 28¾ high.

Wainwright Prod. Gets New Capital

To improve its working capital, **Wainwright Producers & Refiners Ltd.** has arranged for a loan from the Alberta Treasury Branch, to which it will pledge $320,000 6% convertible 10-year bonds, Series B.

Directors have authorized creation of $650,000 bonds of this series, to be convertible into common shares at an initial rate of $4.61 per share. Recent price: $2.35.

There are no immediate plans to issue the remaining $330,000 bonds, an officer told **FP.**

Harold L. Rowland of Los Angeles has been elected chairman, and Arthur Bell of Edmonton, president.

American Northland Oil Co. of California owns 61% of Wainwright's stock.

TOWN OF ACTON VALE, QUE., has sold $41,000 4½% 1960-71, $76,000 5% 1960-69 and $99,500 5½% 1972-74 serial debentures to **Credit Quebec Inc.** at 96.014 indicating net cost of 5.7604%. An amount of $65,000 to be renewed for five years is included in the 1974 maturity. The bonds are callable after Feb. 1, 1967, and proceeds are for waterworks, sewers, roads, sidewalks and other public works. At Dec. 31, 1957, town's funded debt was $440,508 and population 3,722.

Int. Petroleum Earnings Hit By Recent Tax

International Petroleum Co.'s net earnings in 1958 fell 58.4% to $17.1 million (from $41.1 million in 1957).

This is equivalent to $1.17 per share compared with $2.83 per share last year.

Company has cut its quarterly dividend to 30c (U. S.) per share payable March 10 to shareholders of record Feb. 10.

Payments of 35c (U. S.) have been maintained quarterly since June 11, 1956.

Among reasons for the drop in earnings:

- **The increased income tax** imposed by the Venezuelan government.
- **A decline in the volume** of crude oil sales at lower prices.
- **Devaluation** of Colombian and Peruvian currencies.
- **And the effect of low government-controlled prices** for petroleum products in Peru.

Company estimates that the effect of the increased income tax (imposed Dec. 19, 1958 but effective from Jan. 1, 1958) amounts to about $8.2 million.

Preliminary estimates of capital expenditures in 1958 amount to $36.3 million compared with the preceding year's $68.1 million.

Exploration costs charged against income totaled $12.8 million (almost unchanged from 1957's $12.7 million).

Gross crude production averaged 130,200 bbl. per day (94,400 bbl. in Venezuela, 35,600 bbl. in Peru) compared with 135,400 bbl. in 1957.

Refinery crude runs averaged 58,600 bbl. daily in Colombia and 43,500 bbl. in Peru, an increase of 15% on 1957.

Sales of crude oil and products amounted to 192,100 bbl. per day compared with 196,000 bbl.

ALUMINUM CO. OF CANADA LTD., Jan. 19 had **447,170 4% cumulative redeemable sinking fund preferred shares outstanding.**

ST. LAWRENCE CORP. has purchased 30 shares of its 5% preferred stock, series A, for cancellation leaving 142,213 shares outstanding.

TOWN OF BEACONSFIELD, Que., has sold $109,000 5% 1960-69 and $143,500 5½% 1969 serial debentures to **Dawson, Hannaford Ltd.,** at 97.627, indicating net cost of 5.7066%. An amount of $143,500 to be renewed for 10 years is included in the 1969 maturity. The bonds are callable after Feb. 1, 1966, and proceeds are for creation of a working fund for local improvements and for purchase of land. At Dec. 31, 1957, town's net funded debt was $976,000 (not including the $600,000 issue made in December, 1957). Population is 8,000.

Investment Dealers' Exams Completed by 49 Employees

Study program of the Investment Dealers' Association has been completed successfully in Course I by the following 49 employees of member firms, arranged alphabetically within classes:

Class A (90 - 100%)

Greenshields & Co., Jack Rennie, Montreal.
Harris & Partners Ltd., Miss E. B. Clifford, Toronto.
Nesbitt, Thomson and Co., J. G. H. Brazill, Toronto.
Osler, Hammond & Nanton Ltd., A. D. G. Reid, Vancouver.
James Richardson & Sons, M. K. Albrecht, Galt; F. T. Keane, Toronto.

Class B (75 - 89%)

A. E. Ames & Co., David R. Curry, Montreal.
Bankers Bond Corp., Mrs. F. R. Wells, Hamilton.
Bartlett, Cayley & Co., R. L. Anderson, Toronto.
Burns Bros. & Denton Ltd., P. A. Jones, Toronto.
Collier, Norris & Quinlan Ltd., W. A. Dahmer, Toronto.
J. H. Crang & Co., A. W. Lemke, Toronto.
Dawson Hannaford Ltd., Lawrence Barwick, Montreal; Michael Jelly, Toronto.
Dominion Securities Corp., Mrs. Gerda Berber, A. J. Laplante, Montreal.
Gairdner, Son & Co. Ltd., J. E. Bratten, Montreal.
Charles King & Co., Frank Putman, Toronto.
Mathews & Co., Joseph Giuffre, Toronto.
Mills, Spence & Co., J. F. K. Donaldson, Montreal.
Nesbitt, Thomson and Co., R. J. Clark, Vancouver; J. D. Freeman, B. L. C. Kells, John Quigley, Harry Whitaker, James B. White, Jr., Toronto.
Osler, Hammond & Nanton Ltd., D. C. Miles, Vancouver; Ross Trott, Winnipeg.
Pemberton Securities Ltd., D. G. Moss, Vancouver.
James Richardson & Sons, F. L. Hall, M. D. Hyatt, Donald de Mars, Regina; A. S. Pucknell, S. J. Vitunski, J. A. Waddis, Toronto.
Ross, Knowles & Co., A. C. Thompson, Toronto.
Royal Securities Corp., J. F. Aiken, Toronto; D. J. Mott, Montreal.
Savard & Hart Inc., Pierre Henriod, Andre Moisan, Montreal.
Tool, Peet Investments, Ltd., B. W. Kneiss, Calgary.
Walwyn, Stodgell & Co., R. Collombin, Toronto.
J. B. White & Co., R. W. B. White, Toronto.
Wood, Gundy & Co., M. B. Lawrence, Winnipeg; P. A. Wallis, London, England; J. L. Williams, Montreal; R. M. Withers, Stephen Szogyen, Toronto.
John C. L. Allen Ltd., F. J. Rudland, Toronto.

ANNOUNCEMENT

McCONNELL, EASTMAN APPOINTMENT

R. M. WILLIAMS, M.B.E.
Vice-President

Mr. R. M. WILLIAMS, Public Relations Director of the Vancouver office, has been appointed a Vice-President of McConnell, Eastman & Co. Limited, national advertising agency.

Mr. Williams has been Director of Public Relations in the company's Vancouver office for the past four years. Before joining McConnell, Eastman, Mr. Williams was Chief, Advertising and Publicity Section, Department of Trade and Commerce, Ottawa, and later Public Relations Officer for the Association of Professional Engineers of B. C. During World War II he served overseas as an R.C.A.F. Public Relations Officer. He is a member of the Public Relations Society of British Columbia.

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ANNOUNCEMENT

CROWN LIFE INSURANCE COMPANY APPOINTMENTS

L. C. ROLLERSON, F.S.A. R. J. ADAMS, F.L.M.I. R. P. BENNETT, F.L.M.I.

The Crown Life Insurance Company announced the appointments of Mr. L. C. Rollerson, F.S.A., as Assistant Actuary, Mr. R. J. Adams and Mr. R. P. Bennett as Assistant Comptrollers.

In 1958, Canadians Bought $629 MILLION of Life Insurance from the London Life

...Over $50 million more than ever before

...Policy dividends increased for 1959

HIGHLIGHTS OF THE 1958 REPORT

Life Insurance Issued Sets New Company Record

The life insurance issued by the London Life reached a new high mark of $629 million.* Of this total, nearly $500 million was on Ordinary plans. The London Life's sales activities are entirely in Canada.

Substantial Gain in Life Insurance in Force

The total life insurance on the lives of London Life policyholders increased by $418 million, and now exceeds $4.6 billion.* This amount has practically tripled in the last ten years. Well over a million and a quarter Canadians are now insured with this Company.

Policy Payments Increase

Payments to policyholders, beneficiaries, and annuitants, together with amounts set aside to provide for future policy payments, increased to $89 million for the year.

*These amounts do not include annuities, or business reinsured with other companies.

New Investments Chiefly in Mortgages

During 1958, nearly $50 million was placed in first mortgages. The Company now has mortgage loans on over 50,000 properties, representing over 63 per cent of the total invested assets of $657 million.

Sickness and Accident Insurance Shows Further Growth

The Sickness and Accident Branch experienced further growth. Benefits paid, over $11 million, were the highest in the Company's history. Over 230,000 separate payments were made to Sickness and Accident policyholders during the year.

Policy Dividends Higher in 1959

London Life participating policyholders, who over the years have benefited from this Company's excellent dividends, will receive further increases in 1959. The new scale will result in an extra distribution of more than $800,000, and will bring total payments of dividends in the year to nearly $16 million.

The London Life enters its 85th year well prepared to carry on its service to present and new clients, through its 1,600 field men and its 87 agency offices across Canada

London Life
INSURANCE COMPANY

Head Office London, Canada

For a more detailed account of the Company's business in 1958, write to the London Life Head Office, or call one of our Branch Offices for a copy of the Annual Report

PULP & PAPER

Fight Against Costs Has Only Just Begun

MONTREAL (Staff)—The attack on costs has only just begun in the pulp and paper industry.

Some gratifying results in cost-cutting drives in the past year have persuaded many in the $1.5 billion business that much more money can be saved in the future.

If there was any central theme at last week's Canadian Pulp and Paper Association meetings here, it was cost reduction.

The most significant avenues to a much-prized goal:

- **Higher productivity per man**—Major advances are being made in the woods and in the mills.
- **Persuasion of organized labor to "be reasonable"**—There are interesting angles to be explored.

These include closer relation of wages to business conditions, altered bargaining procedures aimed at more realistic contracts, closer study by labor of the industry's problems.

There are even some thoughts of industry-wide bargaining, although feeling is extremely mixed on this.

- **Representations to government**—Under this heading come industry's fight against higher freight rates, its hope for slow progress toward a tax structure which reflects greater concern with the problems of export-centred industry.

Technical progress leading to higher productivity is making solid headway.

The annual report of CPPA President R. M. Fowler says productivity of woods workers increased again in 1958.

In areas east of the Rockies it now takes 27% fewer man-days to cut and move a cord of wood than it did 10 years ago.

New processes are being developed in the mills, old processes are being refined.

The CPPA was told of strenuous efforts to lengthen the life of the Fourdrinier wire, a mesh belt on the papermaking machine.

This now may wear out within a few days, running up a $3,000-plus tab. Much is being done to beat this problem.

Labor offered many talking points.

With sales—and, in some cases, profits—once again edging upward, much of the industry now can look with less worry upon labor contracts signed last year giving mill-workers 5c an hour more over a two-year contract.

This is considerably less than the usual total in labor-management contracts signed in 1958.

(Most Eastern Canadian mills, not all, have signed 5c two-year deals.)

If sales continue to firm, the 5c formula will look increasingly moderate.

But the more moderate it looks, the greater will be the labor crisis when new contracts are negotiated.

In this breathing space, should there be fundamental changes in the industry's approach to industrial relations?

The subject is in many minds. It was discussed by Fowler in an address to the annual luncheon.

"There must be some better way for management and labor to settle their difficulties than the kind of ritual dance we have been acting out in recent years.

"What a tragic sort of comedy it is!

"The same old routines time after time, a bargaining process that makes little real effort to reach a fair and sound agreement. . . .

"How often do the parties in an industrial dispute ever get down to real bargaining, to any real meeting of the minds, to any joint appraisal of the real economics of the situation?

"It is a trial of strength and nerves. . . .

"Can we not do better than this? . . . Is it not possible for management and labor to construct some real collaboration, which will face the realities of the economic facts of life?"

Fowler suggested that wages should go up when economics makes that possible; but that they should come down "flexibly and materially" when world markets are toughening.

To labor, this suggestion is a bombshell.

And it will generate at least as much controversy as the occasional talk of industry-wide—instead of company by company—bargaining.

Many companies oppose all-industry bargaining. They want to run their own show. But some observers see it as the best solution to the present divide-and-conquer situation.

If pulp and paper accepts any departure from the "normal" course of industrial relations, the precedent set will be watched by many Canadian industries, especially those heavily dependent upon export markets.

Any changes which do take place during the next 18 months seem likely to occur against a background of improved business.

Consensus is that the upturn is firmly established, that measures to defeat recession conditions have left the country's biggest single exporting industry in sounder shape than it has been for years.

ANNOUNCEMENT

ALLAN C. McCOLL, B. Com., C.A.

The appointment of Allan C. McColl as comptroller of Shawinigan Chemicals Limited has been announced by H. S. Sutherland, president. Mr. McColl was formerly assistant comptroller of the company.

CNR Push to Baie Comeau May Spark Maritime Row

MONTREAL (Staff) — **Canadian National Railways** is researching the possibility of extending its rail net to Baie Comeau on the North Shore of the St. Lawrence River.

This is bound to become a controversial subject.

The government railway is still far from any firm construction plan, **FP** learns.

Many observers feel a railroad to the dynamic North Shore is inevitable. It would:

- **Provide a dependable all-year land connection between a young papermaking,** aluminum-smelting, iron-mining area and the rest of the nation.
- **Extend the railway to a port — Baie Comeau** — which has the potential for considerable year-round shipping tonnage.
- **Connect Canada's huge grain storage network with a large grain elevator** proposed for Baie Comeau by **Cargill Grain Co.**
- **Probably bring to a head a worried discussion involving the future position of the ports of Halifax and Saint John.**

If large quantities of grain (and even general cargo) eventually are to be shipped from Baie Comeau, it's almost certain that Maritime provinces' winter port business will suffer.

This last point may shove the whole question of a Baie Comeau railway up to the government policy level.

If economics dictate a railway, it almost certainly will be built. That's the general opinion.

But the timing may turn out to be a government decision, made with an eye upon conditions in the Maritime provinces, possibly integrated with efforts to boost the Maritimes' economy.

The railroad could approach Baie Comeau from one of two directions.

The CNR has lines extending north of Quebec both to Clermont on the St. Lawrence and Chicoutimi, inland on the Saguenay.

Both are about 145 miles short of Baie Comeau, in a direct line.

But any railway would be considerably longer because of the difficult terrain.

Though the extension of steel may still be well in the future, it is already assured of being two things:

A hypo for the North Shore economy — when built.

A centre of controversy because of its possible effect upon the Maritimes.

Saint John Dry Dock Co. Expects Same Net in '59

MONTREAL (Staff) — Net profit for 1958 of **Saint John Dry Dock Co.**, is estimated at about $125,000, compared with $173,991 in the previous year, **FP** understands.

Prospects for 1959 are reasonably good and financial results should be similar to those in 1958, company says.

At present the yard is undertaking repair work on an oil tanker, on HMCS Huron as well as a smaller naval auxiliary vessel. Dredging contracts still have a year to run.

About 500 men are employed in the yard.

During 1958 company redeemed $250,000 5% cumulative preferred shares ($100 par) leaving $1 million outstanding. It also redeemed $125,000 5½% sinking fund debentures due March 15, 1974.

In January it redeemed the remaining 2% first mortgage serial bonds which represented capitalization of a federal subsidy for construction of the dry-dock.

This leaves approximately $368,000 in bonds outstanding.

Rumors continue that K. C. Irving of Saint John is negotiating purchase of the yard. Company officials decline comment.

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Applications to be received on or before March 20, 1959

Qualifying Examinations April 16-17 for Entrance in September, 1959

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Upper Canada College, Toronto 7, Canada

New Issue

$8,000,000

Province of Saskatchewan

5% Sinking Fund Debentures

To be dated March 1, 1959 — To mature March 1, 1979

Principal and half-yearly interest (March 1 and September 1) payable in lawful money of Canada in the cities of Toronto, Montreal, Saint John, Winnipeg, Regina, Edmonton or Vancouver at the option of the holder. The Debentures may be redeemed as a whole but not in part at the principal amount thereof on March 1, 1977 or on any interest payment date thereafter. Coupon Debentures may be issued in denominations of $500, $1,000, $25,000 and $100,000 each and will be registrable as to principal only.

Legal Opinion: Messrs. Daly, Harvey & Cooper

The authorizing Order-in-Council will provide for a Sinking Fund with respect to the Debentures of this issue by payment out of the Consolidated Fund annually during the currency of the Debentures of the sum of $240,000.

We, as principals, offer these Debentures, if, as and when issued and accepted by us, and subject to prior sale, change in price and to the approval of Counsel.

Price 96.875 and accrued interest to yield about 5.25%

Descriptive circular available on request

Dominion Securities Corpn. Limited — Wood, Gundy & Company Limited

A. E. Ames & Co. Limited — Houston, Willoughby & Company Limited

There is a new kind of Star Weekly on sale today. And more and more people are discovering it each week. Circulation is climbing. Advertising linage is climbing, too. What's behind this success story? This report answers some of your questions.

1958 was a good year for the Star Weekly—and for Star Weekly advertisers

The advertiser who bought into the Star Weekly in January of 1958 looked very smart indeed in December. His investment in the Star Weekly's circulation grew in value right through the year.

December's circulation was 68,000 greater than January's, despite the fact that readers in every province now pay 15¢ a copy. Readers actually paid, in 1958, $6,779,485.80 for their Star Weekly. This revenue enabled us to still further improve the editorial content.

Advertising revenue was up 6.6%. More than 500 advertisers took space during 1958. Of these, 171 represented new business, and no fewer than 141 advertised *exclusively* in the Star Weekly.

The trend is accelerating. For instance, color reservations for 1959 will be well above the total for 1958.

The Star Weekly thrives in a tough selling climate because there is consumer demand for it.

How do you measure this? One way—response to editorial features. The Star Weekly received over 165,000 letters from readers in 1958, sold over 27,000 dress patterns, received over 27,000 favorite recipes, 1,000 of which will be published in regular food columns over the coming year. Another way—response to advertisements. We can show you an ad which pulled $61,000 in orders at a space cost of $4,400. And you don't see advertisers big and small increasing their schedules in the Star Weekly unless they're getting results.

We believe it will pay you well to look over the Star Weekly carefully this year. Get the feel of its growth. If you want to really go places in 1959, go with the Star Weekly.

sell your product in volume at low cost in the STAR WEEKLY

Will your Executor be experienced— responsible— and always available?

The answer is "yes" if you name National Trust in your Will.

National Trust COMPANY LIMITED

TORONTO HAMILTON MONTREAL WINNIPEG EDMONTON VANCOUVER CALGARY VICTORIA

Manufacturers Gain in New Tariff Slices

Ottawa has cut duties on goods used by Canadian manufacturers and not made in Canada . . .

OTTAWA (Staff)—The government has again used its order - in - council powers to knock down duties on a list of things used by Canadian manufacturers and not produced in Canada.

Two new special tariff items have been created and 20 others already in existence have been extended for up to two years.

This type of tariff "fragmentation" is common. Last year there were two similar lists in addition to changes made by the budget. Method used is to define the item precisely and allow its entry free or at low rates if it is used for the manufacture of a specific product.

Such items are created for limited periods and are extended if no Canadian manufacturer decides to make the substance imported. If a Canadian maker does appear, the tariff items are allowed to expire.

When a new item is created, the inference is that a manufacturer in this country has decided to make a new product and wishes to import materials.

Here are the new items:

• **No. 326Q,** Beads, drops or other shapes of synthetic resins for the manufacture of imitation pearls; free under both British preferential and **MFN** tariffs; formerly these items entered Canada at 15% and 20% respectively.

• **No. 435C,** Bevel gears and torque converters for the manufacture of hydraulic diesel switcher locomotives, free under BP and MFN tariffs; formerly free and 10%.

These items, created in the last year or two but due to expire, have been extended:

No. 7 (F), Defleshed bones, chicken backs and necks, to make soup, free and free.

28B, green coffee to make coffee extract, free and free.

No. 1921, asphalt-impregnated paper and paper board to make floor and wall coverings, 5% and 10%.

No. 263D, sodium ethylene dibromide and ethyl chloride to make tetraethyl lead, free and free.

No. 267D, crude petroleum for refining, free and free.

No. 269B, alkyl aryl hydrocarbons, unsulphated, for the manufacture of synthetic detergents, free and free.

No. 312C, asbestos yarns to make clutch facings and brake linings, 7½% and 12½%.

No. 314A, graphite blocks more than 40 in. in diameter and 15 in. thick to make molds for casting railway wheels, free and 5%.

No. 326P, glass rods for the manufacture of glass fibres or yarn, free and 7½%.

No. 352F, brass or copper tubing, coated or uncoated, for the manufacture of engine - cooling radiator cores.

No. 382A, hot rolled hoop steel for the manufacture of barrel hoops, free and free.

No. 382B, iron or steel sheet or strip for making electrical apparatus or parts, free and free.

No 398B, hot-rolled steel hollows to make cold reduced seamless steel tubes, free and free.

No. 427N, engines and axles to make self-propelled machinery, free and 7½%.

No. 432E, stainless steel bottom, body and neck parts to make milk cans, free and 5%.

No. 446R, stainless steel bottom and top domes for the manufacture of soft drink syrup containers, free and 5%.

No. 558I, synthetic filaments to make cigarette filter tips, free and 7½%.

No. 567C(1) woven fabrics of which the component of chief value is synthetic textile fibres, to make electrical apparatus, free and 30%.

No. 567C(2) all textile manufactures of which the component of chief value is synthetic textile fibres, to make electrical apparatus, free and 27½%.

No. 880I, liquefied propane gas to make ethylene, free and free.

Bank Staff Changes

Commerce:

R. G. BAKER, an assistant accountant, Simcoe, Ont., to be accountant, Delhi, Ont.

J. M. BROOKS, an assistant organization officer, Methods & Organization Department, head office, to be assistant manager, Methods & Organization Department, head office, Toronto.

R. I. FLETT, to be accountant, 462 Spadina Rd. (Forest Hill Village), Toronto.

F. J. HALL, accountant, Kirkland Lake, Ont., to be an audit officer, head office, Toronto.

J. A. L. HAMILTON, to be an assistant accountant, Vancouver.

W. G. McLARTY, manager, Simcoe St. North, Oshawa, Ont., to be manager of the newly opened branch at 462 Spadina Rd. (Forest Hill Village), Toronto.

H. J. McMULLEN, manager, Bloomfield, Ont., to be manager, Brighton, Ont.

R. F. MATCHETT, to be an assistant accountant, Moose Jaw, Sask.

W. J. D. STEWART, accountant, Bloor & Dufferin, Toronto, to be an audit officer, head office, Toronto.

ANNOUNCEMENT

OFFICE SPECIALTY ANNOUNCEMENT

C. L. CAMERON G. N. DALTON

Mr. C. L. Cameron, who has been with Office Specialty for twenty years, has been appointed Manager, Montreal Branch.

At the same time we announce with regret the retirement of Mr. G. N. Dalton who has been with this Company almost fifty years, Manager of our Montreal Branch since 1916.

Our affectionate good wishes go with Mr. Dalton on his retirement from active business life, and our congratulations are extended to Mr. Cameron on the assumption of his new responsibilities.

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Two U. S. Firms Discuss Merger

Kaiser Aluminum and Chemical Corp. and **Mexico Refractories Co.** will merge operations if negotiations now in progress are successful.

Company officials said this week that a statement will be made soon.

Mexico Refractories has plants at Mexico, Miss., Vandyke, Pennsylvania, Frostburg, Maryland, Niles, Ohio and Bronte, Ontario.

Refractories Engineering and Supplies Ltd., of Hamilton and Bronte, Ont., is the Canadian subsidiary of Mexico Refractories.

ANNOUNCEMENT

JWT APPOINTMENT

HOWARD D. MacKENZIE

The appointment of Mr. Howard D. MacKenzie as Director of Merchandising and Sales Promotion of J. Walter Thompson Company Limited (Toronto) is announced.

A graduate of Acadia University, N.S., Mr. MacKenzie has had an extremely varied business career. In over twenty years his work has ranged from retail grocery sales and management, through personnel and public relations, reporting and association work to ten years in advertising: the latter both as advertising manager and on the staff of agencies in creative and executive capacities.

Mr. MacKenzie will be responsible for the co-ordination of sales promotion work throughout the Agency and will be available on all JWT accounts.

Canadian Celanese Bids For Ontario Blanket Plant

Ontario's textile industry, darkened last week with the news of closing of another plant, was brightened this week by plans to revive another mill.

Shareholders of **Slingsby Manufacturing Co.** are to vote Feb. 13 on this week's offer from **Canadian Celanese Ltd.** to buy the fixed assets of the Brantford firm.

The 87-year-old company had begun to wind up production activities Jan. 2.

Payroll had been cut from 300 to 80 since then.

Now there is hope in Brantford that Canadian Celanese will employ 100-150 Slingsby workers when production resumes late this month.

But in Listowel, 70 to 100 production employees of **Imperial Cloth Co.** are to be laid off when the 25-year-old plant is closed June 1.

Imperial Cloth is a subsidiary of **Circle Bar Knitting Co.** of Kincardine, which indicated earlier (**FP**, Dec. 6) that the Listowel operation was losing $3,000 a month during second-half of 1958. Its sales at one point had reached $1 million a year.

President John G. Anderson attributed the closing to competition from Italy and Japan, whose woolens and worsteds enter Canada under rates of duty "that are not sufficient to enable Canadian mills to compete."

A third woolen mill, **Geo. Pattinson & Co.** of Preston, will begin moving its operations to Jamaica in June (**FP**, Jan. 24). About 250 workers will be laid off by the century-old firm.

Company spokesmen blamed "competition of low-wage countries."

Annual sales had been as high as $3.5 million, but currently are understood to be less than half that amount.

In Brantford, it is anticipated that proceeds of the sale to Canadian Celanese will be distributed among Slingsby Manufacturing shareholders, current assets and liabilities liquidated, and the Slingsby charter surrendered.

C. Gordon Cockshutt is chairman and president of the privately owned firm.

Founded in 1872 by William Slingsby, it now occupies 400,000 sq. ft. of floor space in a group of buildings in Brantford.

Slingsby's major products are woolen cloth and blankets, as well as motor rugs, upholstery fabrics, sportswear and outerwear.

With two types of blankets—100% wool and 100% acrylic fibre—company holds a substantial part of the national market in blankets.

Canadian Celanese, if its offer is accepted, intends to produce blankets at the Slingsby plant.

This would give Canadian Celanese a second consumer product. For the past few years, it has been making carpets at Drummondville, Que.

Primarily a producer of yarn and staple fibre, Canadian Celanese has been manufacturing fabrics as well for many years, and thus competing to some extent with its yarn and fibre customers.

Entry into the blanket field would extend this competition further into the field of end-products.

ANNOUNCEMENT

BURLINGTON STEEL APPOINTMENT

ROBERT L. DALES

Executive Vice-President and a Director of the Bank of Nova Scotia, whose election as a Director of Burlington Steel Company Limited is announced by Norman A. Eager, President. Mr. Dale fills the vacancy created by the death of the late Morley Aylsworth.

New Boxcar Will Keep Fruit Fresh

MONTREAL (Staff) — **Canadian National Railways** has successfully tested a new type boxcar which may mean major savings for the railway in handling of perishable freight during the winter.

If further tests pan out, the new cars may replace the refrigerator car for winter shipment of such items as fruits and vegetables.

Key to the operation is special heating equipment which keeps temperatures above the freezing point.

Danger of freezing is the reason why perishables now have to be shipped by refrigerator car in winter.

Refrigerator cars, in addition to being well insulated, have heating as well as cooling equipment.

The new "heater" type cars are not only cheaper to produce but also can hold more cargo than an equivalent refrigerator car.

In a test recently, **CNR** loaded two prototype heater cars with potatoes in Charlottetown, moved them to Montreal and left them standing on a siding for a week in sub-zero temperatures.

During the test temperatures inside the cars remained controlled at 40 deg. above zero.

The pay off for the railway: It was found that 52 tons of potatoes could be loaded into the car without bruising, compared with 22½ tons for a standard refrigerator car.

Dredges Gone Asnazu Winds Up

Asnazu Gold Dredging plans to go out of business. A shareholders meeting has been called for Feb. 25, to consider the proposal to appoint a liquidator.

Following the cancellation of the company's permit to conduct gold dredging operations in Colombia, South America, virtually all of its assets have been converted to cash.

The balance sheet at Dec. 31, 1958, showed assets of $140,317 cash and accounts receivable of $2,290. Current liabilities totaled $1,003.

Initial capital return of 20c a share was made on the outstanding 1½ million shares in October last year.

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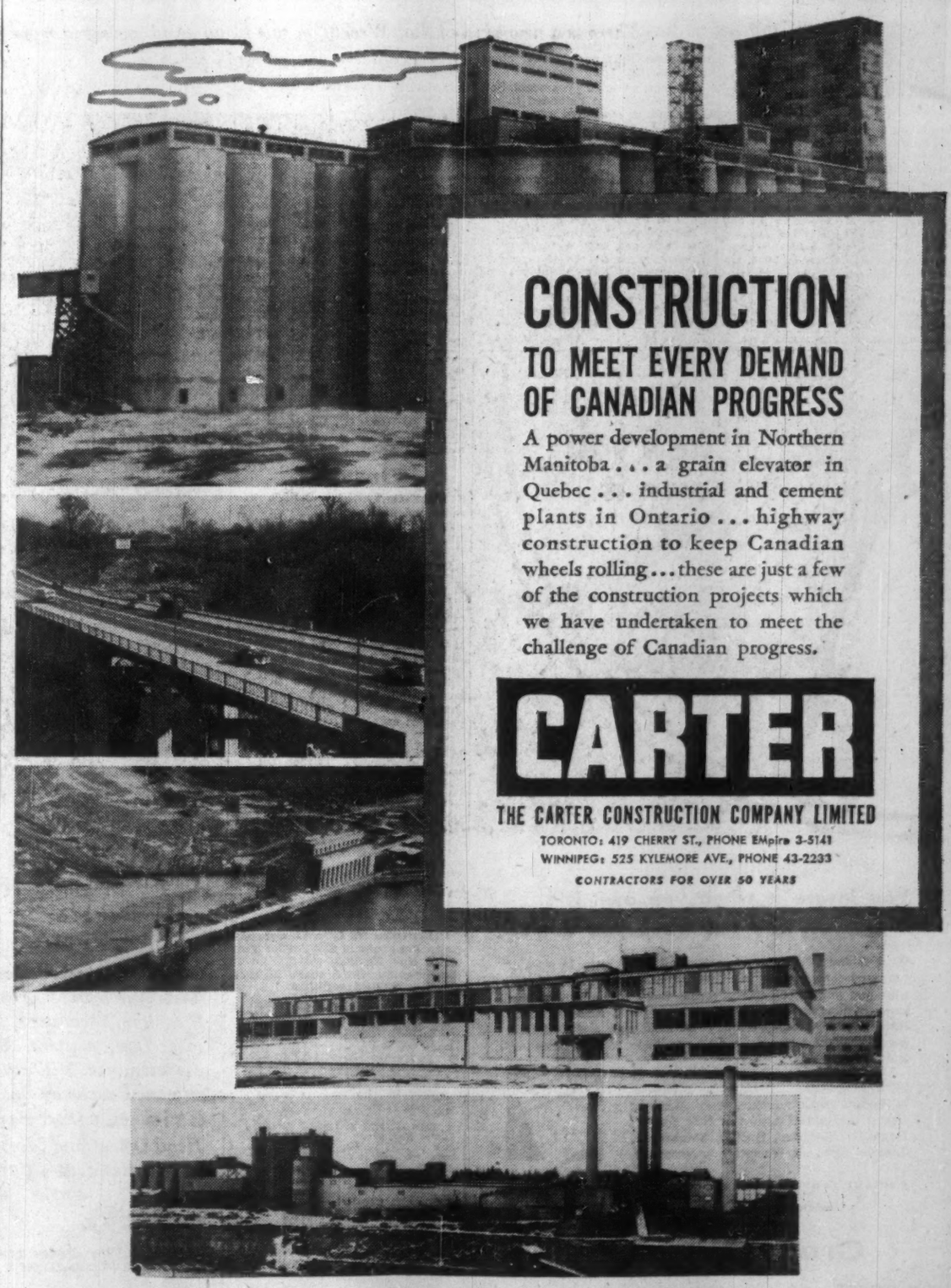

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ANNOUNCEMENT

DIRECTOR
THE MUTUAL LIFE OF CANADA

E. A. RIEDER, F.S.A.

Mr. E. A. Rieder, F.S.A., Vice-President and General Manager of The Mutual Life Assurance Company of Canada, has been elected a director of the Company to fill the vacancy created by the death of Mr. Walter H. Somerville.

Mr. Rieder has been associated with The Mutual Life of Canada for the past 27 years, having joined the Actuarial Department following graduation from the University of Toronto in 1931. He has served the Company in an executive capacity as Associate Actuary, Actuary, and Assistant General Manager, and was appointed Vice-President and General Manager in 1958.

What's New

New products, new uses, new ideas, new money-makers. We report them here and invite your contributions. Write to 481 University Ave., Toronto.

Automatic Sampling

Need accurate samples from large volume of material? U. K. firm has developed a range of equipment for continuous and automatic sampling of bulk granular materials. It can produce at any desired interval laboratory-size samples of coal, coke, ores, fertilizers, seeds or sugars. It reduces large primary bulk samples to weight easily handled by labs, eliminating need for additional handling equipment such as conveyors and elevators.

* * *

Avoids Boat Damage

New Canadian-developed small boat dock eliminates boat damage, is easily assembled by snap locking. All hardware is concealed to avoid scraping, no tools needed for assembly. It is designed to stone load for heavy weather and docking. Portable, it is compact for easy storage, height is adjustable. Dock will be sold in 10-ft. sections, with one set of legs adjustable to five feet.

* * *

Neat Fixture

Austrian firm introducing new type of ceiling or wall fixture for electric lamps. It eliminates unsightly attachments, permitting invisible attachment of lamps to walls or ceiling with very small distance between wall and the light-spreading element.

* * *

Lab Stirrer

New Canadian-made stirrer for laboratories and industry, available. Its stepless, miniature gear motor which, assembled as stirrer, gives high low-speed torques, visible adjusting scale, hollow shafts for quick shifting of stirring rods to any height, continuous operation without attendance.

* * *

Additive for Gas

Corrosion inhibitor for use in aviation gasoline claimed to be highly effective at low dosages. As little as four lb. per 1,000 bbl. prevents corrosion, the maker says. It contains about 5.3% phosphorus by weight, has very low ash content.

* * *

New Power Concept

New idea in V-belt drive design. Drive has narrower, deeper cross-sectioned, high-capacity belts and new narrower sheaves. It is said to present new concept in power transmission. It packs up to three times the horsepower capacity in the same space. Savings of as much as 20% are estimated because of reductions in size of belts and sheaves, centre distances, and in over-all cost of drives.

* * *

New Literature

Two-color catalogue from **Canadian Charts & Supplies**, Oakville, Ont., describes approach to plant efficiency through recording instrument charts, graph sheets, other products . . . **Hunt Valve Co.** issuing brochure with details about new control valves . . . new brochure contains specifications and data on soft blank chuck jaws for all makes of chucks, from **Gahr Machine Co.**, Cleveland.

Company Reports

Instruments

ANALOGUE CONTROLS, INC., New York, net profit of $28,623 for the year ended Oct. 31, 1958, was five times 1957's $5,699.

Sales totaled $719,994, almost double previous fiscal year's $370,535.

Expenditures for research and development exceeded $40,000, Chairman L. S. Reis and President K. Birken report.

Capital expenditures amounted to $83,000.

To increase floor area, company leased a plant adjacent to its own in Mineola, N.Y., and another plant at Hicksville, Long Island.

Company's sales representation was improved and extended in the U. S. and, to a limited extent, outside the U. S.

Analogue tripled the number of different manufactured models of potentiometers to 28 from nine the year before, the chairman and president say.

Research, development and design continue on other products.

Engineering and production staff was increased and a program of training personnel in the production of precision potentiometers and other control equipment was accomplished, company says.

Vice-President E. J. Garrett purchased, with shareholders' approval, 500 shares of 5% non-cumulative preferred stock, par $100, convertible into common stock at $2.50 per share on and after March 1, 1960 and up to March 1, 1963.

Mr. Garrett has a further option to purchase a like amount of the preferred stock at any time until March 1, 1963, and if exercised would, under certain conditions, permit his purchase of 35,000 common shares at $2.50 per share.

After Oct. 31, 1958, options were granted to two key employees, subject to certain conditions, to purchase 4,000 common shares at $3 per share.

Chairman and president believe that sales volume in 1959, barring unforeseen changes, will be more than double last year's volume.

CONSOL. INCOME ACCOUNT

Years ended Oct. 31:	1958	1957
Sales	$719,994	$370,535
Net earnings	55,491	26,757
Less: int. & amort.	20,337	21,058
Inc. tax	6,531	....
Net profit & surplus	28,623	5,699
Earnings per Share and Dividend Record:		
Pref., earned	$57.25	....
Common, earned	0.09	$0.02
None paid.		
Shs. o/s at Oct. 31:		
5% pref., $100 par	500	....
Common, 1c par	300,000	300,000

CONDENSED BALANCE SHEET

As at Oct. 31:	1958	1957
Cash	$48,391	$17,338
Marketable sec.	37,660	75,042
Accounts rec.	146,017	70,603
Invents	161,188	80,227
Prepaid exps.	11,341	6,786
Total curr. assets	404,597	249,996
Deposits	2,560	1,270
Tools & supplies	2,401	2,401
Fixed assets‡	168,594	110,850
Unamort. disc. & exp.	20,443	23,643
Total assets	598,595	388,160
Accts., etc. pay.	222,955	82,039
Inc. tax pay.	8,523	2,949
Total curr. liab.	231,478	84,988
Long term debt	305,000	325,000
Capital stock	53,000	3,000
Surplus	9,117	*24,828
*Deficit.		
‡After depec. of	48,444	23,164
Working capital	173,119	165,008

Financial

STERLING TRUSTS CORP., Toronto, net profit of $153,654 for 1958 was 1.6% higher than 1957's $151,286. This represents a return of 16.4% on the paid-up capital or earnings of $3.29 per share.

Reserve fund was increased by $75,000 to $700,000.

President R. T. Birks says that market value of securities in both the Capital and Guaranteed Account is in excess of the book value, despite the sharp decline in bond prices.

Company's new Barrie branch, opened Oct. 24, provides ample space for further expansion, the president says.

	1958 $	1957 $
Liabs. to public, etc.*	15,855,655	11,811,693
Shareholders' equity	1,713,331	1,642,700
*Secured by:		
Mtges. & sales agrees.†	10,812,908	9,286,650
Offices premises	119,640	54,360
Liquid assets‡	6,536,638	4,113,383
Total	17,569,186	13,454,393
‡Includes bonds and stocks.		
†Includes interest due and accrued.		
Estates account	10,415,230	9,473,325
Net profit	153,654	151,286
Earned per share§	$3.29	$3.26
Paid	1.70+0.20	1.60+0.40
§Based on paid-up capital.		

Equipment

CONDUITS NATIONAL CO., Toronto, net profit of $208,904 for year ended Nov. 30, 1958, was 1% lower than previous fiscal year's $210,924.

INCOME ACCOUNT

Years Ended Nov. 30:	1958	1957
Net earnings	$448,791	$440,542
Less: Deprec.	58,887	47,618
Inc. taxes	181,000	182,000
Net profit	208,904	210,924
Less: Com. divds.	104,520	126,640
Surplus for year	104,384	82,284
Earnings per Share and Dividend Record:		
Com.: Earned	$1.30	$1.31
Paid	0.65	$.80
Shs. o/s at Nov. 30:		
Common, $1 par	160,800	160,800

CONDENSED BALANCE SHEET

As at Nov. 30:	1958	1957
Cash	$228,989	$58,514
Accts rec., etc.	141,411	104,769
Life ins., c.s.v.	60,585	58,693
Inventories	503,449	539,411
Total curr. assets	929,444	771,419
Investments	110,825	305,825
Prepaid expenses	4,502	4,824
Fixed assets*	658,634	363,970
Total assets	1,703,405	1,445,138
Total curr. liab.	295,178	155,667
Def. Inc. tax	53,000	....
Reserve for expan.	....	400,000
Capital stock	160,800	160,800
Surplus	1,224,435	728,671
*After depr. of	229,635	248,850
Working capital	634,274	615,753

THE INVESTMENT FUNDS

Canadian Investment Fund Assets Reach New High

Canadian Investment Fund Ltd., Montreal, total assets at Dec. 31, 1958, amounted to $126,195,297, compared with $83,821,628 a year earlier. This was a 6.5% increase over $112,813,421 at end of third quarter.

Net asset value per share at Dec. 31, 1958, was $9.24 or 3.9% higher than $8.89 at Sept. 30.

At year end balance of realized profits on sales of investments stood at $5,684,145. Quoted market value of investments exceeded their average cost by $33,877,752.

Purchase of fund's shares for the fourth quarter totaled 445,172 and brought number of outstanding shares to a new high of 13,011,983.

Common stocks represented 73.6% of total net assets, bonds 20.1%, preferred stocks 3.7% and cash 2.6%.

During the quarter fund added one bond and increased holdings in another. One bond was liquidated.

Twenty-eight common stock holdings were increased, and six decreased. Two common stocks were eliminated.

Here are portfolio changes in detail:

	Amount held at Dec. 31 1958 $000	Change since Sept. 30 1958 $000
Bonds:		
Shawinigan W. & P., 5½% 1972	250	+50
U. S. Treasury Bonds, 3½% 1990	....	—1,500
U. S. Treasury Notes, 4% 1961	1,500	+1,500
Common:	— Shares —	
Bank of Montreal	27,000	+4,875
Bank of Nova Scotia	14,000	+1,400
Bank Canadienne Nationale	8,000	+1,850
Bell Tel. Co. of Can.	90,000	+10,500
British American Oil	65,000	+8,000
Building Products Ltd.	22,000	+1,000
Canada Packers "A"	17,000	+300
Cdn. Bank of Commerce	25,000	+4,000
Cdn Pacific Railway	69,000	+8,000
Consol. M. & S. Co. of Can.	62,000	+10,000
Consol. Paper Corp.	110,000	+4,000
Consumers' Gas Co.	25,000	+5,000
Dominion Textile	80,000	+2,000
Hudson Bay M. & S.	40,000	+3,575
Imperial Oil	50,000	+4,400
Loblaw Cos. "A"	6,000	+500
Do. "B"	43,000	+1,000
Moore Corp.	15,000	+2,000
McIntyre Porc. Mines	11,000	+100
Noranda Mines	43,000	+6,625
Powell River Co.	75,000	+8,000
Price Bros. & Co.	43,000	+6,500
Royal Bank of Can.	22,000	+1,000
Shawinigan W. & P.	112,000	+5,000
Texas Co.	6,000	+1,000
Toronto-Dom. Bank	16,000	+3,000
Geo. Weston "A"	12,000	+975
Do. "B"	21,000	+3,000
Aluminium Ltd.	10,000	—6,000
International Nickel	49,500	—500
International Paper	25,900	—600
Johns-Manville	5,600	—3,000
Loblaw Cos. warrants	....	—3,500
Ogilvie Flour Mills	13,000	—3,500
Page-Hersey Tubes	65,000	—2,700
Trans Mount. Oil P.L.	....	—20,625

ANNOUNCEMENT

Green Blankstein Russell and Associates Appointments

J. D. ANNETT — D. G. BITTORF — E. C. FLACK

Green Blankstein Russell and Associates, Architects and Consulting Engineers, announce the appointment of J. D. Annett and D. G. Bittorf as resident partners of the Green Blankstein Russell office at Edmonton, Alberta. The Edmonton office will combine with the Green Blankstein Russell Calgary office to serve the Province of Alberta. The Calgary resident partner is Edric C. Flack.

Mr. Annett graduated from the University of Manitoba in architecture in 1949, winning the Royal Architectural Institute of Canada Gold Medal. He is a member of the Alberta Association of Architects and the Royal Architectural Institute of Canada. Mr. Bittorf, a native of Edmonton, graduated from the School of Architecture, University of Washington, where he won a number of scholarships. In 1955 he received his Master of Architecture degree from the Graduate School of Design, Harvard University. He is a registered architect in the Province of Alberta and a member of the architectural advisory panel for the City of Edmonton. Mr. Flack is a graduate of the University of Manitoba in architecture and is a member of the Royal Architectural Institute of Canada.

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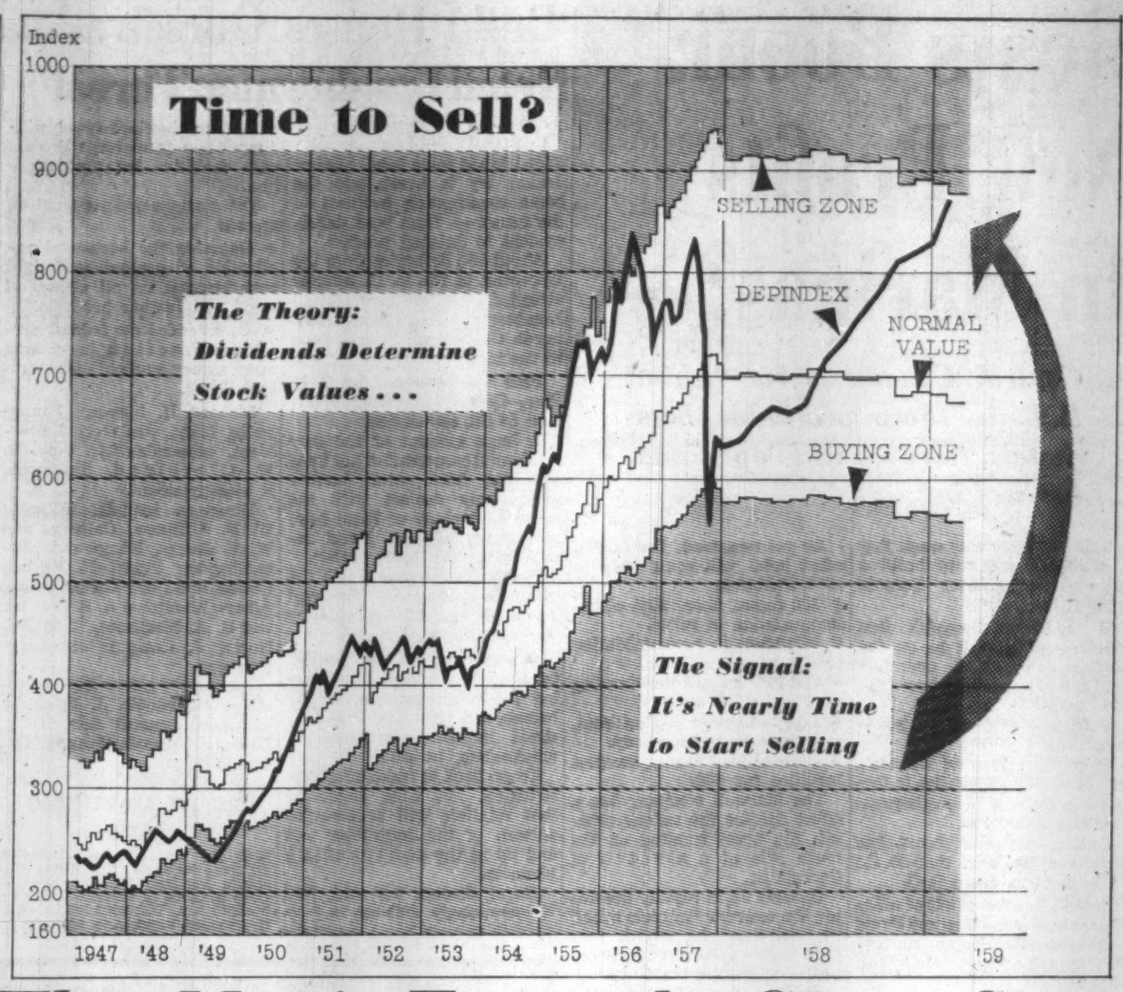

This Man's Formula Gives Sign That Selling Time May Be Near

Time to sell stocks?

Almost — if your approach to stock values is the same as that of **Timed Investment Fund.**

Investment policy of the $1.9-million mutual fund is shaped by Joseph dePencier's Investment Timing Plan. Mr. dePencier is vice-president of the Fund.

Under that plan, dividends determine whether stocks are in a buying range or selling range.

Some 15 months ago, the Timed Investment formula signaled that stocks were selling below their normal value (FP, Oct. 19, 1957).

The following week, the Toronto Stock Exchange industrial index fell to its 1957 low of 393.23.

Now (see chart) the formula indicates that stocks are close to a selling point. This week, the TSE industrial index stood at its highest point in history.

How does the formula give its signal?

Its theory is that stock prices are normal when they are a "normal" number of times greater than dividends.

This "normal" is the ratio of the average of prices for the last 10 years, to the average dividends of the last 10 years.

The stocks which compose this average, called the dePindex, are a representative group of 30 leading Canadian industrial stocks.

Today, the dePindex would be 676 if all 30 stocks were selling at their normal values. But in late January it went as high as 868.34, or 28.5% above normal.

The formula allows for certain swings above and below normal before a buying or selling signal is given.

But when the dePindex stands at 130% or more of its normal, stocks are considered to be in a "selling zone."

"Under the formula as adapted for Timed Investment Fund," dePencier says, "we will cut our common stocks back to 50% of the portfolio if this point (130% of normal) is reached, and make further reductions of 5% for each additional 5% rise in the market."

The drop in the level of the selling range since December is attributable to recent dividend cuts by such companies as **Hudson Bay Mining & Smelting, Consolidated Mining & Smelting** and **Price Bros.**

If 1959 brings some increased dividends, normal will tend to move upward.

Mr. dePencier cautions:

"Though the first selling point has practically been reached under this formula, it does not necessarily suggest that the market won't go higher.

"All it says is that enthusiasm has carried the market to a level where, past experience has shown, it is wise to assume a 50-50 offensive-defensive position.

"Timed Investment Fund will cut its common stocks from about 80% to 50% if the level is reached.

"The formula also suggests that a really booming market may go on another 25% and that a cautious investor would continue to sell.

"Our fund would make a further 5% reduction for each 5% rise in the market, but would never go under 25% in common stocks."

HOW 'TIMED' COMPARES

Fund	Recent Bid	Increase since Mid-October 1957	1953
	$	$	$
Canadian Investment	9.31	19	61
Commonwealth	7.97	24	70
Investors Mutual	11.37	25	85
Mutual Income	5.25	20	64
Timed Investment	5.95	31	42

Company Report

Financial

TIMED INVESTMENT FUND LTD., Toronto, net profit of $70,281 for the year ended Sept. 30, 1958, was 1.4% lower than previous fiscal year's $69,081.

Company's holdings of common stocks totaled 78% of its portfolio on Jan. 12, 1959, compared with 50% at 1957 fiscal year-end.

Redemption value of fund's shares increased 18% between Sept. 30, 1957, and Sept. 30, 1958.

INCOME ACCOUNT

Years Ended Sept. 30:	1958	1957
Total Income	$72,371	$75,016
Net profit	70,281	68,928
Less: Divds. paid	69,081	70,083
Surplus for period	1,200	*1,155
Earnings per Share*	$0.22	$0.22
Paid	0.22	0.23

*Based on number of shares outstanding as calculated from dividends paid.

Shs. o/s at Sept. 30:		
Special, $1 par	310,201	314,236
Ordinary, $1 par	755	755

CONDENSED BALANCE SHEET

As at Sept. 30:	1958	1957
Cash	$2,518	$35,441
Accts rec., accr. int. & divs.	11,207	11,874
Invests. at cost	1,474,304	1,490,590
Organ. exps. less w/o	755	755
Total assets	1,488,784	1,538,660
Accts., etc., pay.	10,470	28,405
Deferred liab.		7,523
Capital stock	310,356	314,993
Capital surplus	1,163,508	1,165,088
Earned surplus	3,850	2,651
†Market value	1,544,263	1,405,201
Net assets per sh.	5.30	4.53

THE INVESTMENT FUNDS

Timed Investment Fund Net Assets Rise 5.5%

Timed Investment Fund Ltd., Toronto, net assets totaled $1,742,750 at Dec. 10, 1958, up 5.5% from $1,652,443 at Sept. 10.

Common stocks accounted for 77.9% of net assets (75.4% three months earlier); preferred stocks 6.6% (8%); bonds and debentures 15.2% (16.5%).

During the quarter ended Dec. 10, fund liquidated holdings of one bond issue and added another.

One preferred stock was eliminated, and holdings of two were reduced.

Four common stocks were added and four were liquidated. Holdings of four common stocks were increased, and seven decreased.

Here are the portfolio changes in detail:

	Amount held at Dec.10/58	Change since Sept.10/58
Bonds:		
Prov. of Ont. 4½%/78	$100,000	+$100,000
Prov. of Ont. 4½%/78	....	—$105,000
Preferred:	Shares	
Ont. Jockey Club 5½% $10 cv.	....	—200
Salada-S.-H. Cor. 5¾% $25 cv.	1,500	—500
Sommerville Ltd. $2.80, $50	500	—100
Common:		
Bell Tel. Co. of Can.	2,000	—300
B. C. Power Co.	1,000	+500
Can. Wire & Cable "B"	2,100	—1,100
Can. Bank of Com. rights	200	+200
Consolidated M. & S.	1,000	—500
Consolidated Paper Corp.	1,000	+400
Dome Mines	1,500	+1,500
Hudson Bay M. & S.	1,000	+400
Interprovincial P.L.	....	—1,000
Kerr-Addison Gold Mines	1,500	+1,500
Molson's Brewery "A"	....	—1,500
Moore Corp.	300	—200
Price Bros.	600	—100
Shawinigan W. & P.	....	—600
Sicks Breweries	3,000	+3,000
Union Accept. Corp. 60c	3,400	+400

ANNOUNCEMENT

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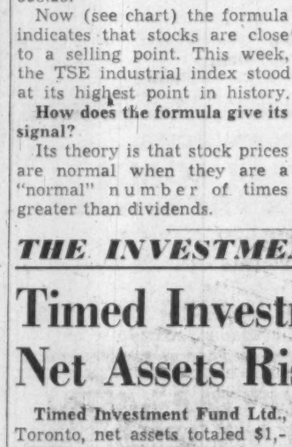

GORDON T. CUTTLE

A new company, Remington Air Conditioning (Canada) Ltd., has been formed under the presidency of Gordon T. Cuttle.

The company has opened offices in Toronto and Montreal and will be exclusive Canadian distributors of the Remington Incremental System of Air Conditioning, as produced by the Remington Corporation of Auburn, N.Y. The distribution was previously in the hands of the John Inglis Co. Limited. The Toronto office address is 90 Trethewey Drive, telephone ROgar 7-1246.

JARMAN SHOES

Williams Shoe Ltd. of Brampton, Ont., will manufacture and distribute Jarman shoes for men under an agreement signed with the Jarman division of **General Shoe Corp.** of U. S. Renovation and modernization of Williams plant are now under way to provide for manufacturing the new line, first samples of which will be ready for fall buying by retailers.

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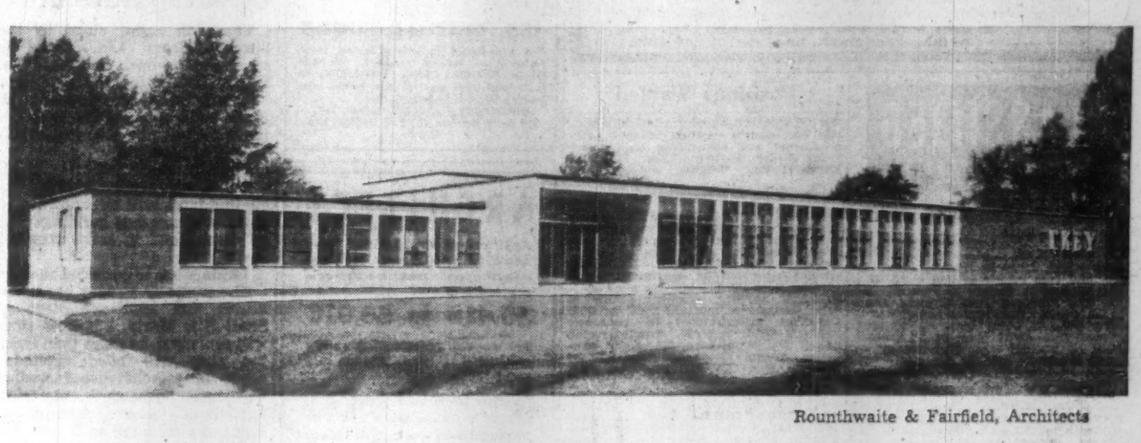

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WESTERN CANADA representation available. Successful sales agents operating from Lakehead to Alberta-B.C. boundary can handle two additional non-conflicting lines. Offering saturation coverage in a conscientious, aggressive manner. Interested only in worthy products of reputable firms (excluding clothing). Reply to Box 754, The Financial Post, Toronto.

INTERNATIONAL PAPER CO. has issued an additional 110 shares under options raising number of shares outstanding Jan. 26 to 13,048,208.

JOHN LABATT LTD. has issued 17,250 partly paid common shares to certain employees raising number of shares outstanding at Jan. 16 to 1,272,245.

Positions Wanted

MR. MANAGER—Young man, bilingual, late car, desires position in sales merchandising and advertising with reference. Prefer Montreal. Box 769, The Financial Post, Toronto.

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AMBITIOUS YOUNG MAN, 31, seeks permanent position in U.K. with progressive company. Background in sales and administration. Highest aptitude test results. Box 783, The Financial Post, Toronto.

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Boats Boom: New Profits In Marinas?

Central Canada is far behind B.C. in these profitable boat-motels. Here's a wide open market waiting . . .

There's rumor this week that a syndicate plans to build a luxury marina near Toronto within two years.

It could be Ontario's first major step to cash in on the marina boom. B. C. operators hold the national lead now (FP, Oct. 25, 1958).

Statistically, Ontario's lag is surprising.

More than 75% of Canada's pleasure boat owners live in Ontario, according to boating authorities.

Ontario by latest count has more boat builders than B. C.: 61 in Ontario, 58 in B. C.

Ontario has thousands of miles of canals, rivers, lakes and Great Lakes coastline, comparable to B. C.'s salt water inlets and islands.

What's more, Ontario has been host to Canada's big boat shows year after year. (Canadian Boat Show opens in Toronto this week.)

Significance: There's a wide open field for shrewd marina operators from Seaway Lake in the St. Lawrence to Thunder Bay at the Lakehead.

* * *

From Our Own Correspondent

VANCOUVER — Suites for rent, cocktail lounge, yachts for hire — all in a single business package.

That's what is entailed in a new $3.5-million hotel-marina to be built on Vancouver's waterfront.

Construction will begin by June 1, says Hugh A. Martin, president of **Marwell Construction Ltd.**

The project has been in the process of development for months, and financing — all Canadian — has just been completed.

As yet unnamed, the garden court hotel will open early in 1960. Features:

- 220 rooms, about 30% of accommodation in suites.
- Marina with accommodation for 70 boats.
- Outdoor courtyard swimming pool.
- Cocktail lounge, dining room, restaurant and coffee shop.
- Parking for 260 cars, banquet facilities for 600.

The Marwell company has a select site for the unique project: 8½ acres fronting on the south side of a stretch of Georgia St.

Georgia St. is rapidly becoming Vancouver's "miracle mile," by virtue of its swank new built - and - proposed apartment blocks and office buildings.

The site faces north on Coal Harbor, an arm of Vancouver harbor.

It will sit next to the waterfront retail marine goods store to be built by **Woodward's** department store (FP, Jan. 24).

The dining room and cocktail lounge overlook Vancouver harbor and the mountains of North and West Vancouver.

Each summer hundreds of California, Oregon and Washington pleasure boats invade B. C. waters.

They're drawn by the fishing, hunting and the beauty of upcoast inlets.

The marina-hotel will give them moorage, first class shore accommodation and direct access to Vancouver's downtown shopping area.

The project also should become a gathering spot—socially—for British Columbia's thousands of pleasure boat operators.

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Applications, together with a resume of experience and the names of three referees, should be addressed to the Director of Personnel, City Hall, Regina, Saskatchewan, and should be postmarked not later than February 16, 1959.

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Simpsons-Sears Opening New Store

The 38th retail store in the **Simpsons-Sears Ltd.** chain is scheduled to open in Sault Ste. Marie, Ont., late next summer.

It will follow opening of a $5 million shopping centre type department store by the company in Winnipeg shortly.

The three-floor Sault Ste. Marie store, to cost around $300,000 including land, will be a downtown outlet and existing buildings will be demolished to make way for it.

Tenders are to be called shortly.

The company already has a furniture and appliance store in Sault Ste. Marie, but new store will replace it, be more than twice the size, will offer expanded range of merchandise including hardware, housewares, electrical appliances, fixtures, floor coverings and auto supplies.

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'Build Houses Ourselves' Retail Lumbermen Threat

From Our Own Correspondent

CALGARY — Don't be surprised to see some retail lumber dealers try to break into the home construction business in the future — from land development to finished product.

About 350 delegates from the Lakehead to the B. C. interior attended the Western Retail Lumbermen's Association meeting in Calgary and found merit in the idea.

Plan was presented by C. E. Sine, Calgary, outgoing president of the association.

A large amount of the new residential construction has been siphoned from retail lumber and supply dealers with the result that many of them have to rely on business, home improvement and farm outlets.

Housing contractors sell the complete package — from real estate to the last shingle on the roof, Mr. Sine said.

Others have set up "fronts" for the sole purpose of by-passing the retail building supply houses, and they have been assisted in many instances by wholesalers, he said.

To get back in residential construction, Mr. Sine suggested that retailers will reverse the pattern of the contractor and end up in the contracting business.

Rural dealers, he said, find it increasingly difficult to participate in new home construction when they are faced with competition from large dealers with facilities for prefabrication.

The convention went on record:

- **Opposing the horizontal application of percentage freight rate** increase on all classes of wood and lumber products.
- **Commended the federal government's action** in making more money available for mortgage loans.

Richard H. Stevens, Fannystelle, Man., was elected president, succeeding Mr. Sine. D. W. Cleveland, Saskatoon, is vice-president.

Directors include: Alberta: W. P. Williams, Calgary, and W. E. James, Edmonton; Saskatchewan: Stuart N. Rogers, Regina, and Denis Grieef, Prince Albert; Manitoba: A. R. Gourley and R. K. MacInnes, Winnipeg. Hector J. Craig is secretary-manager.

Among the convention speakers was Kenneth J. Farthing, manager, general advertising, **Canadian Westinghouse Co.,** Hamilton, Ont.

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VALUABLE BUILDING SITES & 2½ MILE BEACH.
Scope for extensive development.
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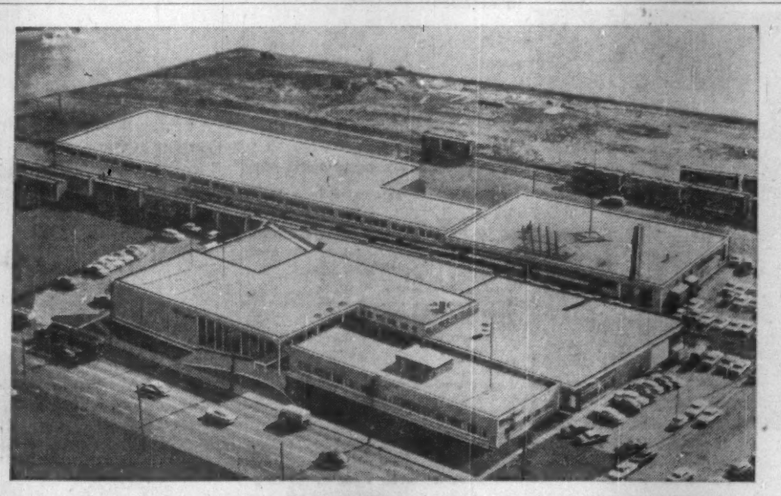

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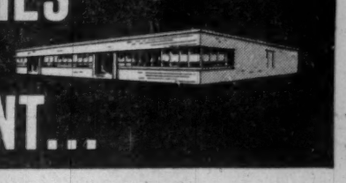

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Man with good mathematical education and background in methods improvement to take charge of department. Knowledge of predetermined motion times preferred but not essential. Good starting salary and excellent opportunity for advancement.

BOX 781, THE FINANCIAL POST, TORONTO

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An Ontario Company requires an experienced accountant to assume responsibility for office management, financial statement preparation and cost accounting. Preference will be given to applicants with a C.A. degree but other recognized accounting degrees will be considered, experience in the sheet metal industry preferred. Apply by letter only to **Box 776, The Financial Post, Toronto.**

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Western Canada spice firm requires experienced man for manufacturing and selling meat-packers' kitchen and bakers' supplies. Must have knowledge of preparing, ingredients for meat packers (binders, curing, seasonings, etc.), ability to take sole charge of department mixing formulae and selling to trade.

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Answer in writing indicating starting salary desired to

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BOX 788, THE FINANCIAL POST, TORONTO

Of interest to ***PULP*** *and* ***PAPER TECHNICAL PERSONNEL*** *heading for* ***MILL MANAGEMENT***

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REMUNERATION

Patterned to attract men now earning $13,000 and more

Enquiries are invited, in confidence, from qualified engineers, i.e. men now holding responsible supervisory positions in large mills producing bleached or unbleached sulphite pulps of various grades. Every enquiry will be promptly acknowledged; early interview in Eastern Canada.

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Required for rapidly growing municipality (pop. 32,000) in the Metropolitan Vancouver, B. C., area. This is a major administrative position with a minimum starting salary of $10,000. He will supervise and direct the affairs of the municipality and employees thereof; put into effect and carry out the policies of the Council; and other duties prescribed by the by-laws of the municipality. Detailed job description and employee specifications will be sent to well-qualified applicants.

Essential: Proven administrative ability with adequate appreciation of the problems and methods of Municipal Government.

Preferred: Age 35-50; administrative experience in local governments; Public Relations skills.

Finalists will receive Executive Aptitude Appraisal at the expense of the municipality.

Reply fully in writing indicating why you wish to be considered for this senior appointment c/o

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Please do not telephone as only applications in writing giving full information and references will be considered.

All applications will be treated in strict confidence.

ST. LAWRENCE CEMENT CO.
Attention: Sales Manager
Suite 106, 4920 Western Avenue, Montreal 6, Que.

COMPTROLLER

Canadian Marconi Company invites application for the position of Comptroller at its head office in Montreal. This position carries direct responsibility for the Company's accounts, budgets, taxes and accounting system. The man we are seeking must have practical experience and education in general accounting as applied to manufacturing and distribution operations. Preferably a Chartered Accountant, he should have supervisory ability and an energetic interest in the function.

All replies will be answered and treated in strictest confidence.

CANADIAN MARCONI COMPANY
2442 Trenton Avenue, Montreal 16, Que.

SALES ENGINEER

Required by Company selling equipment to mining, construction and general industry across Canada. Although not necessary preference will be given to previous sales experience and engineering background.

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REPLY TO BOX 791,
THE FINANCIAL POST, TORONTO

SECURITY ANALYST

One of the largest mutual investment fund groups in North America needs an experienced security analyst having a wide knowledge of Canadian business.

Would be expected to do some field work and travelling with Toronto as his base. Attractive commencing salary with excellent prospects.

State qualifications in writing. All inquiries will be treated in strict confidence. Our staff has been advised of this advertisement.

Write to Box 792, The Financial Post, Toronto.

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Starting Salary to $6,300

For a recent C.A. or Commerce graduate, up to 30 years of age, a multi-plant Canadian manufacturer has a challenging audit position consisting of travel in the U.S. and Canada, balanced with home office projects.

While previous audit experience would be an asset, it is not essential. More important is the ability to analyze overall field unit operations. For further details please write or telephone Mr. C. J. Smith.

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GRADUATE ENGINEER • SHIFT BOSS

The following are required for northern mine, single status preferred, housing possible, but not guaranteed. Excellent living, recreational facilities and company benefits. Starting salary dependent upon experience.

Graduate Engineer for employment in engineering office, salary $450.00 - $550.00.

Shift Boss for underground, graduate engineer, with one or two years shifting experience. Salary range $500.00-$600.00.

In reply give full particulars as to age, experience and references to

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A CHALLENGING OPPORTUNITY!

Our client, a large Canadian financial institution, requires a man with these qualifications:—

1. **Sufficient accounting experience to enable him to analyze Balance Sheets and determine basic weaknesses and strengths.**
2. **General administrative experience, preferably with some industrial background.**
3. **Ability to make decisions, but if over-ruled for policy reasons, to accept the ruling.**
4. **Brains, sound judgment, integrity and ability to co-operate with other executives.**

Preferred age: 35-50

Salary bracket: $12,000 to $15,000 plus pension benefits.

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Management Consultants
330 Bay Street, Toronto

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$7,500 — $8,580
Required for
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Post Office Department, Ottawa

A professionally qualified Engineer with extensive technical and administrative engineering experience is required immediately to assist the Chief Engineer in the planning and maintenance of mechanical, electrical and electronic mail handling equipment for Canadian Post Offices.

For additional information and application forms, please write immediately to the

CIVIL SERVICE COMMISSION OF CANADA,
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Quote Competition Number 59-1202.

EPS

SENIOR INDUSTRIAL ENGINEER

required for a leading pulp and paper company in Eastern Canada.

He will be dealing with fact-finding and analysis concerning a wide range of problems. Candidates must have a proven record and the ability to present recommendations to management. Prior experience in this industry might be useful but not essential.

Applications held in confidence

Executive Placement Services
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GRADUATE INDUSTRIAL ENGINEER

with at least four years industrial experience, required by established and growing manufacturing organisation with four plants located 40 miles from Montreal.

Work in the fields of Cost Control, Work Study, Materials, Handling, etc., would be carried out with responsibility only to the President and General Manager. Salary open.

Please apply in writing giving full details of education, industrial experience, age and marital status to

BOX 722, THE FINANCIAL POST, TORONTO

SALES OPPORTUNITIES

SALESMEN

Applicants should have a proven record of sales ability. They should have a university education or its equivalent and be between 27 and 35 years of age. Remuneration will be on a salary and commission basis.

SALES OFFICE ADMINISTRATION

Career opportunities are available in our Container Division. The position entails supervision of staff, the coordinating and processing of customer orders; and contacts with customers in person, by telephone and correspondence. Applicants should have university education or equivalent and be between 25 and 32 years of age. Salary will be commensurate with experience.

In applying for either of the above positions, would you please write, giving full details of your business experience and personal background to:

INDUSTRIAL RELATIONS DEPARTMENT
Attention: — Miss Marie Gowing
HINDE & DAUCH PAPER COMPANY OF CANADA LTD.
43 Hanna Avenue, Toronto 3

Our client requires:

EXECUTIVE ASSISTANT TO GENERAL MANAGER

Salary: Substantial, details to be discussed

This is an outstanding opportunity offering excellent financial prospects to the man who can meet the clients requirements.

A man of unquestionable integrity, 30 to 45. A university degree is not essential but extensive knowledge of general accounting and taxation is necessary together with familiarity with the law. Personal characteristics; quiet, studious, analytical, hard-working, reliable, able to meet all types of people. This position would be of particular interest to men with Chartered Accounting firms, Trust Company Executives or others familiar with the analysis of financial statements and competent in important detailed work.

Please reply in confidence to

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management consultants
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CHARTERED ACCOUNTANT

A progressive and well established growth company located in Montreal with branches across Canada requires a chartered accountant, age 26-30, with at least two years post-qualification experience, to be responsible to comptroller for special budgetary and systems analysis work. Position has excellent future possibilities.

Reply in confidence to:

RIDDELL, STEAD, GRAHAM & HUTCHISON
Chartered Accountants
P.O. Box 1414, Place d'Armes, Montreal, P.Q.

CHIEF ENGINEERS
(Civil or Municipal)

Our client, a very well-established and expanding firm of consulting engineers, requires two Chief Engineers for Prairie branch operations. Under the general direction of the Branch Manager, responsibilities will involve the direction of all branch engineering work, including the supervision of resident engineers, inspectors, and surveyors, generally engaged in the design and installation of municipal facilities.

Requirements include an engineering degree and qualifications for professional registration in any one of the Western Provinces. Applicants should have at least ten years relevant experience, preferably in consulting or municipal work. Preferred age range 35-45. Initial salary $800 to $900, with very good possibility of becoming a member of the firm within a few years.

Write in strict confidence, quoting Reference No. 210, and give full details of training, experience, and personal data, to:

STEVENSON & KELLOGG, LTD.,
Consulting Management Engineering,
810 Royal Bank Building, Vancouver 2, B.C.

COMPTROLLER

Toronto Head Office of a company manufacturing automotive and industrial chemicals requires a Comptroller, preferably a C.A. or C.P.A. with commercial and industrial background. Experience of costing is essential. The person appointed will report directly to the President and General Manager and be a member of the Executive Committee. The position also provides an excellent opportunity for further progress within the Company. The salary offered is in the $8,000 to $8,500 per annum range with an annual bonus in addition. A pension plan and a medical scheme is in operation.

Applicants, between 35 and 40 years of age, should provide full details in confidence to:—

Ref. K.2168

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LIMITED
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SALES ENGINEERING OPPORTUNITY

Required immediately, aggressive sales minded and serious engineer with electrical or mechanical degree; bilingual and age preference 35-45.

The position offered permits residence in Montreal with some but no extensive travelling and has a definite potential for a future in management.

A background of experience in diesel, diesel electric, standby and replacement of power units is a **definite requirement.**

We offer a salary with bonus incentive, travelling expenses, car allowance and normal fringe benefits which include the best in group insurance and an excellent pension plan.

Written applications only will be considered, please don't telephone.

Please include complete background and all experience details and references in first letter.

All applications will be treated in strict confidence.

Write immediately to:

THE SALES MANAGER
HEWITT EQUIPMENT LIMITED
P.O. Box 1200, Montreal 3, P.Q.

What Our Farmers Say About Prices, Policies

From Our Own Correspondent

SASKATOON — Three significant points emerged from the annual meeting here of the Canadian Federation of Agriculture last week:

- **Deep concern** was expressed over what was termed "the plight of many farmers who are not making a decent living."
- **There was reaffirmation** of the CFA's stand that deficiency payments on oats, barley and wheat are necessary.
- **The meeting endorsed** the present program of support prices for dairy products.

Discussion in many phases of the meeting centred on the problem of the small farmer and various types of policies that may contribute to some constructive progress toward a better farm society.

Major policy areas were explored — those of price supports (including those mentioned above), land use, farm credit, farm marketing, crop insurance, and the need for marketing boards and co-operatives.

No new areas of policy were discussed, and hence there were no reversals or departures from policy.

There was, rather, a further development of basic ideas.

While the convention called for deficiency payments, there was no formal support as such for the plan of Prairie farmers to send a delegation to Ottawa in March to ask for them.

Why not?

"CFA's job is to establish policy," explains David Kirk, the organization's secretary.

"A delegation of farmers to Ottawa is the presentation of policy — an action governed by the farmers. If that's what they want to do, that's their business."

Other specific problems were dealt with at the meeting. On some, action was taken. For example, delegates:

- **Expressed** determination to move ahead with more farmer control of business through co-ops and marketing boards.
- **Said** they are against Seaway tolls on grain.
- **Advocated** further development of facilities at the port of Churchill.
- **Supported** Crowsnest Pass freight rates.
- **Protested** the recent 17% freight rate increase and vowed to do everything possible to prevent another hike.
- **Commended** the government for its decision to examine freight rate structures.
- **Favored** a world food bank that would take the form of effective international action to deal with surpluses without upsetting trade patterns.
- **Advocated** unemployment insurance for farm workers in cases where groups of producers want it.
- **Strongly favored** expansion of world trade.

A brief will be presented to the federal Cabinet containing the views of the Canadian Federation of Agriculture.

H. H. Hannam, the organization's president, told the meeting in what was considered an important speech that Canadian agriculture is on the threshold of a new era.

"Contrary to what may be the popular impression, Canadian farmers would much prefer to receive a fair exchange value in the market place for the farm products they produce and sell, rather than find it necessary to adopt programs involving government assistance or subsidization," he said.

He also said:

"Farming in general is a low income, high cost, and high risk industry.

"If the city man would picture the manufacturing industry producing through 500,000 small plants without a roof and with no means of varying their aggregate output in line with what the markets will take, urban opinion would realize better just what the farmer is up against."

'Leave Farm for Industry' Says Manitoba Farm Group

From Our Own Correspondent

SASKATOON — Manitoba Federation of Agriculture says a lot of Canadian farmers will never make a decent living in agriculture, even with government help, and ought to be encouraged to go into industry.

The federation in a resolution presented to the Western Agricultural Conference of the Canadian Federation of Agriculture meeting here, said:

"Five per cent of the population can now produce Canada's agricultural needs and provide for substantial exports as well.

"Canadian farmers make up 17% of the population and this means that, unless many get out of farming, they will have a very low standard of living."

Despite government help, net income per farm continued to drop, the federation said.

Parity prices were not the answer.

"Parity prices have not only failed to solve the farm problem but have added to the complexities of farming," the federation said.

"In the U.S., the movement away from the farms was the highest in times of high parity prices."

Industry should locate in rural areas where it could provide farmers with "part or full-time off-farm employment" and farmers should be given financial help to get into industry.

The conference took no action on the Manitoba brief.

It unanimously approved plans for a delegation to Ottawa to ask for deficiency payments.

The Manitoba Federation previously had decided to await the views of the conference before committing itself to the delegation.

Stratford to Offer 12-Week Season

Choice of As You Like It as the 1959 comedy offering of the **Stratford Shakespearean Festival** (FP, Oct. 4) has been confirmed by Michael Langham, artistic director for the Ontario city's festival. Peter Wood, a Briton, will direct.

This year's tragedy will be Othello, directed jointly by Canadians Jean Gascon and George McCowan.

Douglas Campbell will play the title role, supported by Frances Hyland and Douglas Rain.

Irene Worth, co-star of Stratford's inaugural season in 1953, returns to play Rosalind in the comedy.

The 12-week season opens with Othello June 29, ends Sept. 19.

PAYMASTER OUTPUT

Paymaster Consolidated Mines produced gold bullion worth $372,484 in the quarter ended Dec. 31, 1958. Average recovery from the 49,845 tons milled was $7.47 per ton. This brings production for the first half of the company's fiscal year to $723,310 from a total of 97,525 tons of ore. Average recovery was $7.42 per ton.

COURSE in EXECUTIVE DEVELOPMENT

May 25th to June 19th, 1959

Objectives —To help develop in each participant a well-rounded philosophy of management and a familiarity with the company-wide point of view, in contrast to that of any present specialization, in its application to major problems of corporate policy, thus to aid the executive to prepare himself for the possibility of greater responsibilities in the future and to assist business enterprise in building and perpetuating the most competent management organization.

Proceedings —Lectures and seminars by regular faculty members of the University's School of Commerce and distinguished visiting lecturers from other institutions.

Registration —Limited to 30 participants.

For descriptive folder and further information, write:

Director, Executive Development Course,
School of Commerce,
McGILL UNIVERSITY, Montreal

Guaranty Stock Offered at $20

Shareholders of **Guaranty Trust Co. of Canada,** of record Feb. 4, are being offered one new common share, par $10, at $20 each on the basis of one new for each six held. Rights expire March 16.

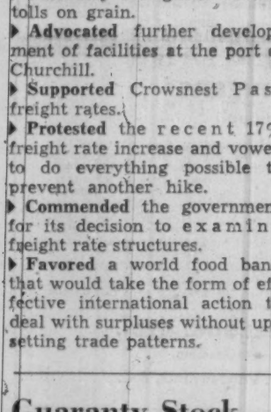
The stock issue will increase number of shares outstanding from 300,000 to 350,000 (of an authorized 500,000), and bring paid-up capital and reserve account to $6.5 million.

This will be more in line with volume of business transacted and with assets ($186.5 million), President J. Wilson Berry said. The increase in capital can be profitably employed, he added.

Recent price: $27.

ANNOUNCEMENT

CANADIAN INGERSOLL-RAND APPOINTMENT



G. M. YOUNG,

whose appointment as Vice-President and General Manager of Canadian Ingersoll-Rand Co. Limited has been announced by Mr. F. G. Ferrabee, President.

Mr. Young joined the Company in Montreal in 1935 as a Sales Engineer. He became Secretary in 1937, Director in 1941, Works Manager in 1942, and in 1955 Vice-President and Works Manager at Sherbrooke, a position he has held prior to this new appointment.

The low, sleek profile and sculptured lines tell you—this is new. The faultless, distinguished look of your letters tells you—this is typing at its finest: every character uniformly sharp, every paragraph neat and precise, every letter letter-perfect. Then—consider the dramatic new performance features of the new IBM: the alive, eager response of the individually adjustable keyboard, completely personalized to fit the touch of the typist... the new IBM 13" Quiet-Glide Carriage that ends the constant crash of carriage stops. These and 25 other engineering achievements tell you—here is a typewriter that can more than pay its way in greater productivity... higher office morale. Here is the most efficient typewriter ever made.

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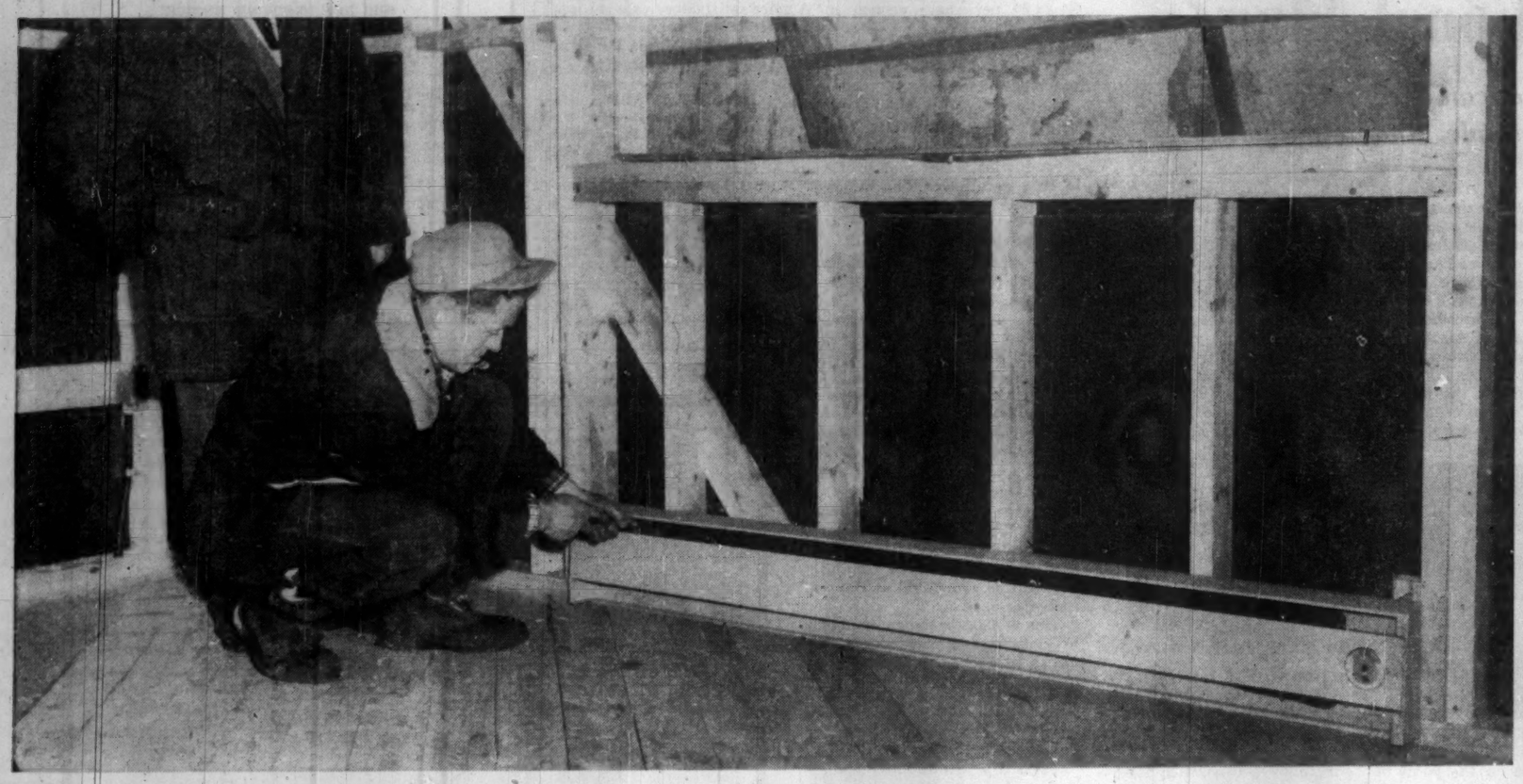


BASEBOARD-type electric heating unit goes into new home; thermostat at right.

BUILDER George W. Pattison holds a wall-type heat unit.

Electric Heat Gets Hot in Home Market

Gas, oil and coal will have a real competitor in Eastern Canada within five years...

By FORBES GILBERTSON

Within five years electricity will be taking an important slice of the home heating market.

Gas, oil and coal will have a real competitor in chimney-less, furnace-less, tank-less electric installations.

At least one Canadian company has developed an electric furnace that will fit into existing warm air heating systems.

What's more, it looks as though power producers are ready to start pushing electric heating with competitive rates.

Ontario Hydro took the first step last summer: a new rate schedule aimed at encouraging domestic electric heating (**FP**, Aug. 16).

The big (1.7 million domestic consumers) Ontario utility doesn't expect any sudden or spectacular swing to electric heating.

Just give it five years to grow, the power men say.

This optimism is shared enthusiastically by makers of electric heating equipment. They firmly believe the market will be a whopper.

Hydro doesn't plan any high-pressure promotion at the moment. But it's quietly training sales staffs in regional offices to give advice and help to homeowners, builders, and architects, on electric heating.

Meanwhile, it's studying intensively all the cost factors in houses where such equipment is already installed.

The market:

- Triangle bounded by Windsor-Sarnia-Kingston is considered ripe for growth of electric home heating, starting in higher-priced homes, moving gradually downward.
- It's felt that schools and motels, light commercial buildings, will provide an important market, too.

With a heat pump type of electric heating, fresh air in summer and heating in winter can be handled by the same unit, without a boiler room and at a saving in capital outlay.

School boards in London, Guelph, Bowmanville, and several other Ontario centres are seriously considering such a system now.

There's intense interest among builders and architects.

A number of electrically heated homes have been completed in London, Kitchener, Guelph, Oshawa, and other cities.

Biggest project is in Cooksville, Ont., where builder **George W. Pattison** is building 100 homes in his Blossom Gardens subdivision, 75 of them electrically heated.

Many of them will also be electrically equipped throughout, with built-in ovens and ranges, refrigerator and automatic washer and dryer, and water heater—plus scientifically planned lighting.

In the $18,000-$23,000 bracket, first of the homes will be open to the public starting next week.

Another home heated electrically is being built at Weston, Ont., with a possibility of 40 more.

Builders generally remain cautious, pointing out that all the cost factors haven't yet been fully determined.

But one builder who has installed electric heat equipment in houses predicted that rapid growth would develop in less than five years.

Other builders in Southern Ontario are considering installing this type of heating in up to 10 houses as an experiment. Cost factors, customer acceptance, will determine the pattern from there.

Essentially adapted for new housing, built-in-type electric heat installation cost is said to be about the same as a good hot air system and less expensive than hot water or steam.

Cost of installing such heating equipment in a seven- to eight-room house recently was estimated at around $900.

Hydro estimates that for a house properly built for electric heating and with the necessary additional insulation, heating cost would be about 25% to 50% higher than oil, maybe 20% higher than gas.

Insulation is important. For built-in-type electric heating system to operate most efficiently, two-in., four-in. and six-in. insulation is needed in floor, walls and ceiling respectively.

The economies for the builder: No chimney, furnace, oil tank to install, roughly $75 per house net saving.

The benefits for the homeowner in built-in-type electric heating:

- **Even distribution of heat** with individual thermostatic control in key areas like bedrooms, bathrooms, living-dining areas.
- **Flexibility of control,** silent operation, no chimney or furnace maintenance.
- **Cleanliness.** Rugs, curtains, upholstery don't have to be cleaned as often.
- **A cable laid** under the floor will keep basement floors or recreation room floor warmer than is usually possible.
- **Lack of furnace** and, if house is oil-heated, oil tank, provides extra space.

The heating systems available:

▸ **Direct heat,** where current passes through a resistance wire.

This is the most popular and is available in wall-mounted radiant heater panels, heating cable embedded in ceiling plaster, as coiled wires around a ceramic core or as baseboard heating.

Baseboard heating consists simply of metal baseboard strips installed around outside walls instead of conventional wooden baseboards.

These baseboard units are from two to eight ft., depending on the area to be heated. Installation is simple and they can be flush with the wall, serving dual purpose of saving space and remaining inconspicuous.

Cold air enters bottom of the unit, is warmed, then spreads across cold outside wall to make a blanket of heat where worst heat loss occurs. It's said to eliminate cold drafts from outside walls and large window areas.

▸ **The heat pump.** This works on the principle of a refrigerator and, while more expensive, has added advantage of heating the house in winter, cooling it in summer.

▸ **A new heat system** is in the offing. Developed by **Canadian Curtiss-Wright Ltd.**, of Oakville, Ont., it's called Thermapac and provides the best features of other electric heat systems.

Thermapac is an electric, forced hot air furnace designed to use off-peak power.

Electric power is turned on during off-peak hours and fed to heating elements embedded in a heat storage unit of refractory material.

Heat is provided to warm the house while at the same time it's being stored in the refractory material. When the period of peak demand comes, power is shut off and the stored heat is used to warm the house.

Still in prototype stage, the present Thermapac unit draws power for 16 hours, storing enough heat to cover the eight-hour period when power is off.

A continually operating, low-pressure blower delivers a constant stream of warm, humidified air 24 hours a day, instead of intermittent blasts of warm air.

Ontario Hydro is intensely interested in this unit, seeing in it a possible means of raising the load factor in the valleys which occur between periods of peak power demand.

A Thermapac unit has been installed in a Hydro employee's home, and a careful study is being made of its efficiency and operating cost.

In the U. S., electric heating of homes has made great strides in recent years.

Present estimates are that there will be around three million electrically heated homes there by 1965 as compared to around 500,000 now.

U. S. utilities which, like Ontario Hydro, have cut rates to encourage electric heating, have found cut rates very effective in winning new converts.

Operating cost is the main bugaboo in electric heating. In spite of its advantages, monthly costs will keep it in the semi-luxury brackets for a while at least.

But electrical men are convinced that cost won't hold a good thing down for long.

Electric Heat Costs

*Estimated maximum annual cost of residential electric space heating in Toronto area:

Total Area of Heated Space sq. ft.	Estimated Heating Cost $ per year
750	192
1,000	253
1,250	300
1,500	352
1,750	400
2,000	445

*Costs estimated by Ontario Hydro and based on house properly insulated for electric heat.

How Costs Compare

*Approximate low and high estimates of costs for heating an average six-room house in the Toronto area in a normal year:

	Low —$ per year—	High
†Electric	290	300
‡Gas	159	235
‡Oil	144	185
‡Coal (stoker)	120	135

†House properly insulated for electric heat.
‡House normally insulated.
*Figures estimated by Ontario Hydro, Consumers' Gas Co., and Toronto Chapter, Oil Heating Association.

Have We Enough Power To Heat Electrically?

There are two big factors behind **Ontario Hydro's** interest in the home heating field:

- With the growth of gas heating in Ontario, Hydro sees a trend that might eventually leave it in the position of being a light-supplying utility only.

Heating a house with gas can soon lead to gas stove, gas water heater, and gas refrigerator.

Hydro therefore is promoting electric heat in order to preserve its appliance load.

- By the end of 1958, Hydro had capacity which exceeded peak demand by about 12%. This is considered about a normal figure in the utility field.

By the end of this year, Hydro will have about 6.5 million kw capacity and estimated demand will be about 5.5 million kw.

But peak demand comes only at certain times of the day and year, with valleys in between. Hydro's general promotion to "live better electrically" is aimed at raising up these valleys and increasing the load factor.

The drive to promote electrical heating of homes will not affect planned capacity versus estimated demand for a number of years. But it might help fill up the valleys between peak load demands.

That's why Hydro is intensely interested in the Thermapac and similar units. If tests and cost factors are satisfactory, such units could serve the dual purpose of using power between peaks while not drawing power when load demand is heaviest.

Hydro will have to determine whether power can be sold cheaply enough between periods of maximum demand to make Thermapac and similar units feasible.

It would take an awful lot of electrically-heated homes to have any effect on the capacity-demand ratio for a number of years, Hydro officials claim.

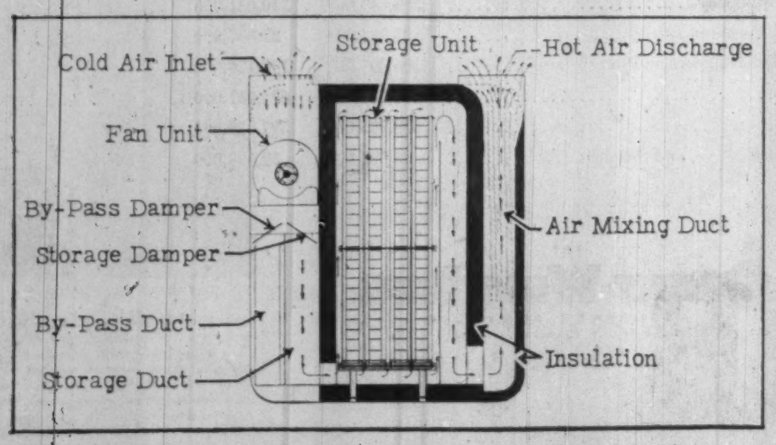
But what would happen if this type of heating went far beyond expectations and changed the whole picture?

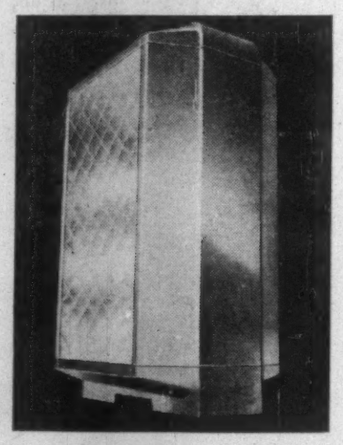
Hydro will get all the electrically-heated homes it can get and if it has to build more power stations to handle the load, it will do so.

After all, a Hydro official points out, the basic policy is to promote the use of power. However, no substantial effect on planned capacity-demand ratio from electric heating of homes is anticipated.

With a growing swing to more expensive thermal power in the future, what about its effect on the domestic customer's pocket book?

Over-all load would have increased sufficiently to keep electric heat cost in line with other methods of heating, Hydro says.





THERMAPAC electric furnace: Slightly larger than a conventional oil burner, it uses off-peak power to heat the house, simultaneously stores heat to warm the house for another eight hours after power is off. Designed by Canadian Curtiss-Wright Ltd. in several sizes.

RADIANT heating by electricity: Heat cable in ceiling radiates warmth throughout the room. Thermostat controls warmth in each room.

BRITISH GUIANA CONSOLIDATED GOLDFIELDS LTD.
AND
POTARO HYDRO-ELECTRIC CO. LTD.

Receiver and Manager—W. B. S. Walker, A.C.A. of Peat, Marwick, Mitchell & Co. 11, Ironmonger Lane, London, E.C.2

OFFERS ARE INVITED FOR
The Company's undertaking, including concession rights over 10,000 acres of alluvial gold deposits
OR
Individual items of plant and equipment, etc.

ORE RESERVES (estimated as at 31.12.57)
Proved ..... 32,787,000 cu. yds (3.32 Gr/cu.yd)
Partly proved ..... 18,094,000 cu. yds (3.28 Gr/cu.yd)

EQUIPMENT
2 DREDGES (TUBA DESIGN)

	No. 1	No. 2
	1.5 m cu.yds p.a.	2 m cu.yds p.a.
Rated cap.		
Bucket cap.	6 cu.ft.	10.5 cu.ft.
Approx. wt.	806 tons	1,530 tons
Digging dpt.	45 feet	46 feet

HYDRO-ELECTRIC INSTALLATION
Two 60", vertical shaft, Gilkes-Francis turbines; rated output 1,100 BHP, complete with transmission and telephone lines.
GENERATING EQUIPMENT
3 British Polar, 2-cycle, heavy oil engines coupled to
3 ATI International GEC 312 KVa DSI type generators.
GAS PLANT
3 Crossley Premier M4/DOH type gas engines coupled to
3 ABTH 350 KVa alternators generating at 6,000 V.
SUITABLE BUILDINGS
All in reasonable repair and with necessary ancillary equipment and considerable quantity of spares.
Also miscellaneous plant, equipment, transport and consumable stores.
Details available from Receiver and Manager.

ANNOUNCEMENT
TORONTO GENERAL TRUSTS

DONALD K. TOW

The appointment of Donald K. Tow, O.B.E., E.D., General Manager of The Toronto General Trusts Corporation, to the Board of Directors and his election as Vice-President is announced by the President, C. C. Calvin, Q.C. Mr. Tow will continue as General Manager of the Corporation.

Getting Ahead
Astute businessmen plan for success; they read The Financial Post because it helps them make right decisions. Yearly by mail in Canada $6; elsewhere $7 yearly.

Bruce Hutchison Writes

Why Do Canadians Weasel Out of a National Flag?

Here is a nation that can design itself, but cannot design a simple, understandable image of itself . . .

By BRUCE HUTCHISON

THE CITIZEN must stifle a weary yawn on reading that the selection of a Canadian flag is again on the agenda of Parliament.

When wasn't it on the agenda? When will the flag ever get off the agenda and on the flagpole?

When shall we achieve a flag calculated to unify the nation instead of an angry wrangle calculated to divide it?

Not for some time yet, I imagine.

We can do all, or most of the things required of a nation.

We proclaim our nationhood in constitutional documents and impressive gestures of all sorts. We explain the inwardness of Canada in a library of books.

But after scaling this mountain peak in a journey of almost a hundred years, we cannot mark it with a Canadian flag.

Perhaps the lack of a piece of cloth suitably colored is itself not very important.

Confederation was contrived, the CPR built, two great wars fought and the present nation slowly created without a flag, and no one seemed to miss it much until recent years.

The long, futile flag debate is important just the same.

For it is now clear that the lack of a flag is frustrating many good Canadians.

The quarrel over its design is causing unnecessary friction, when we have frictions enough already.

Moreover, our family squabble is making us look ridiculous to foreign nations, who must wonder, quite wrongly, whether Canada without a flag can really be a nation at all.

No wonder foreigners are perplexed by our perplexity, since a new nation like Ghana can devise a flag within a week and the U. S. can remodel the Stars and Stripes overnight to accommodate the new state of Alaska.

The debate in Ottawa must remind the historian of nothing so much as the ancient Schoolmen's argument about the number of angels who

BRUCE HUTCHISON

In the present state of the Commonwealth, I suppose that no one would approve a Canadian flag more than the people of Britain.

could dance on the point of a needle.

Our politicians have been impaled and wriggling on the sharp point of this particular needle for years, a needle that pricks our various prejudices but can never seem to sew a flag.

The first obstacle was a minority opinion holding that a Canadian flag would somehow be anti-British, would weaken the bonds of the Commonwealth and perhaps affront the Crown.

As an amusing illustration of this notion, I had occasion the other day to write in a local newspaper about a little monument which will mark Sir John A. Macdonald's official opening of the Esquimalt and Nanaimo Railway in 1886, and I regretted that the monument could not be marked by a Canadian flag.

Immediately a charming Victorian lady wrote to the paper, more in anger than in sorrow, to say that Sir John would have been shocked by my suggestion.

For hadn't the great man said that "a British subject I was born, a British subject I will die?"

That feeling, once fairly widespread, distorts the past and misunderstands the present.

Sir John would have been no less a British subject if he had lived here under a Canadian flag.

In fact, he was our first great Canadian nationalist, and if he had been governing Canada in our generation we may be sure he would have designed a Canadian flag long before now.

He would have known that a flag of our own was implicit in our history from the beginning, became inevitable once his work of 1867 was complete and only awaited the appropriate day to appear.

A flag, you might say, was furled within the original pleats of Confederation and must be unfurled sooner or later.

And in the present state of the Commonwealth I suppose that no one would approve a Canadian flag more than the people of Britain.

They must know, as we do, that the relations between Canada and Britain have never been better than they are today—and far better than they were when Canada resented British domination, real or imaginary.

As friend and relative, Canada is most valuable to Britain as it is strong within itself.

If a flag will help a little to increase that strength so much the better for both nations and for the Commonwealth generally.

Watching the interminable debate, and receiving a new flag design from some hopeful designer every month or so, I conclude that the objection to any Canadian flag, on grounds of loyalty to Britain, is a dying force.

A great majority of Canadians, I believe, would like to have their own flag. The only real problem is to agree on a design.

Once the nation grapples with that purely technical question, after settling the general principle, it becomes comic, or pathetic.

But the comedy, or pathos, teaches a deep truth of politics, well known to the abler practitioners.

It is that the people are much more concerned with intangibles than with tangibles, with myths more than with facts.

Thus whenever Parliament debates urgent tangibles and immediate concrete facts like finance the public is not greatly excited, even though it must pay the bill.

Whenever Parliament debates the design of a flag it strikes far deeper than the taxpayer's pocket.

It strikes into his subconscious. It strikes into the subliminal region of emotion.

Then the nation begins to think with its blood, or several bloods.

There is nothing comic or pathetic about that, for in human affairs the great decisions are always made in the subconscious, the superficial decisions in conscious debate.

The thing becomes comic only when, generally agreeing on the need of a flag as the symbol of a profound emotion, the nation cannot agree on the superficial decision, the exact arrangement of colors, lines or images on a yard of cloth.

Hence all our recent prime ministers, while anxious to have a flag, always weaseled as they confronted the blank cloth and tried to fill it with a design satisfactory to the two major Canadian races.

(The others are too numerous to be accommodated in so small a space.)

King weaseled, St. Laurent weaseled and it looks as if Diefenbaker intends to continue weaseling, if he can, probably by keeping the flag issue in the deep-freeze of some parliamentary committee.

One shouldn't blame these men too much. Abler statesmen than they, the world over, have successfully ridden the facts and then been thrown by the myth.

A foreigner might suppose that it would be quite easy to design a suitable flag, since a flag, after all, is a crude form of art.

Children of five years execute more difficult designs than any national flag, and no flag is physically as handsome, or as complicated, as the meanest flower by the roadside.

The foreigner is wrong, however.

He cannot possibly feel, though he understands intellectually, the old inherited instincts, prejudices and legends of a dual nation.

It is very difficult, and so far has been impossible, to combine these things, to general satisfaction, in any outward symbolic compromise, even after we have managed somehow to maintain the huge, illogical and splendid compromise of the nation itself.

There is the irony of the debate now beginning all over again—a nation that can design itself but cannot design a simple, understandable image of itself.

As one who has received innumerable designs from all over the country I would settle for any flag at all, provided it clearly represented Canada as a separate entity and satisfied a majority.

(We can never satisfy everybody about anything.)

If we can't achieve agreement in this narrow technical sphere because myth divides us, we had better admit that we're stumped for the time being and stop arguing.

This perpetual wrangle, these busy little men quarreling about their favorite designs and rejecting all others, disturb the nation's unity instead of strengthening it.

Let us therefore unfurl a national flag proudly or stow the blank bunting away until we grow up and are no longer afraid to be ourselves outwardly as well as inwardly.

Result of Stelco Strike Worst Year Since 1954

Steel Co. of Canada Ltd. net profit for 1958 amounted to $16,371,019 or $3.79 per share, a drop of 22.6% on the $21,158,112 or $4.90 per share earned in 1957.

Sales totaled $225.2 million, 18% lower than the preceding year's $274.8 million.

Ratio of net profit (after taxes) to sales fell to 7.3% from 7.7%.

Production, sales and profits in 1958 were lower than in any year since 1954. This was due to the strike lasting 86 days at the Hamilton primary plant.

The effects of the shutdown (Aug. 12-Nov. 5) were not fully overcome until well into December, state H. G. Hilton, chairman, and V. W. Scully, president.

"A reasonably high level of operations was maintained at all plants throughout January, and prospects for the next few months appear to be good," they add.

Construction of the company's new pipe mill at McMaster Works, Contrecoeur, Que., is proceeding on schedule.

A second electrolytic tinning line will be completed at Hamilton this year.

This will mark the end of the $70-million expansion program begun in 1956. All other production units went into operation in 1958.

Due to the low level of steel output in the U. S., production at the **Erie Mining Co.** (10% owned) was below expectations. A more satisfactory rate is forecast for 1959.

Output at the Hilton Mines in 1958 exceeded expectations.

HIGHEST AWARD

From Our Own Correspondent

FREDERICTON, N.B. — Bull calf "Rocket Tone Dekol" owned by Vernon K. Harding, Sussex, N.B., has been named all-Canadian bull calf, highest honor a Holstein animal can receive in the show ring. Last year, total of 79,100 head of Holsteins were registered in Canada, up 4.5% over previous year. Transfers totaled 62,009, up 5.14%. Total exports were 20,078, a rise of 11% over 1957.

Announcing change of address and new telephone number

Annett & Company Limited
Members
The Investment Dealers' Association of Canada
and
Annett & Co.
Members
Toronto Stock Exchange
have moved into new offices at
220 BAY STREET
Telephone EMpire 3-7361

F. STUART MOLSON

announces that effective February 2, 1959 the business of

MOLSON & COMPANY
STOCKBROKERS
(Founded 1933)

will be carried on by

MOLSON & COMPANY
LIMITED

Members:
Montreal Stock Exchange
Canadian Stock Exchange

DIRECTORS
F. S. Molson, *Chairman*
J. N. Morton, *President*
J. T. Thompson, *Vice-President*
H. J. R. Newman, C.A., *Secretary-Treasurer*

Director of Research: *D. E. F. Watts*

MOLSON & COMPANY
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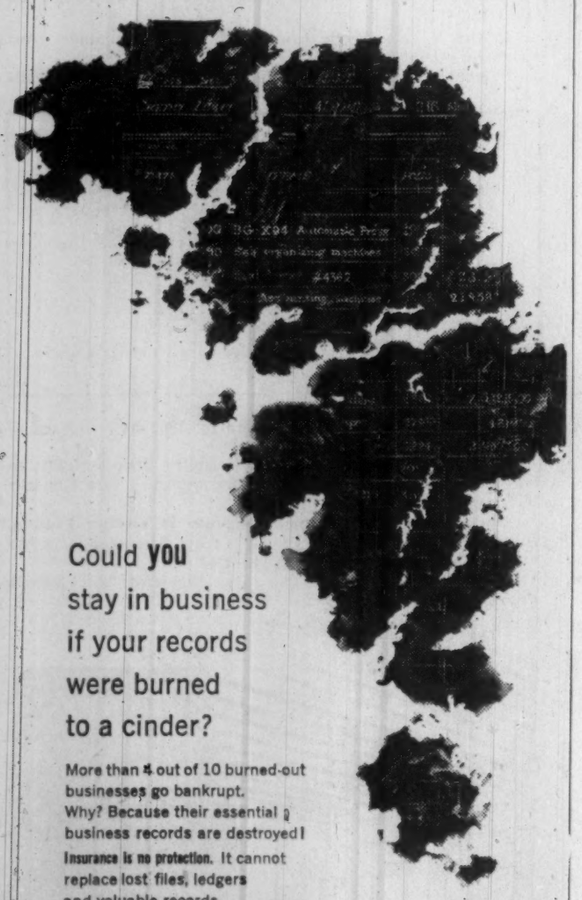
485 McGill St., Montreal UN. 6-1551



Could **you** stay in business if your records were burned to a cinder?

More than 4 out of 10 burned-out businesses go bankrupt. Why? Because their essential business records are destroyed! Insurance is no protection. It cannot replace lost files, ledgers and valuable records.

"Fireproof" buildings are not the answer. They make the fire hotter ...heat up ordinary steel cabinets and char the contents.

There's only one thing to do: protect your records in modern fire-resistant cabinets. Write or phone Chubb—today!

Chubb supplies a complete range of fire and burglar resisting equipment to leading banks and business houses across the world. Chubb service is always available—wherever you are.

R.P. Cabinet

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Sentinels of Security since 1818
CHUBB SAFE COMPANY LIMITED
Head Office: 577 Oxford Street, Toronto 14. CLifford 5-1191
Branches at Montreal, Vancouver, Hamilton. Agents across Canada.

Great-West Life 1958 Annual Report

Business in Force Passes $4 Billion

During 1958, total life insurance and annuities in force with the Great-West Life passed the $4 billion mark and reached $4,172,000,000 at year-end. Sales of life insurance and annuities exceeded $500 million, of which the life insurance sales of $448,600,000 represented a gain of 10% over 1957.

Following are the comparative highlights from Great-West Life's sixty-seventh Annual Report:

	1958	1957
Insurance and Annuities in Force	$4,172,542,000	$3,836,720,000
New Insurance and Annuities	508,649,000	510,031,000
Accident and Health Premium Income	25,934,000	22,887,000
Paid or Credited to Policyholders and Beneficiaries	106,895,000	100,120,000
Assets	683,788,000	636,831,000
Liabilities	638,785,000	597,328,000
Capital, Contingency Reserve, and Surplus	45,008,000	39,503,000

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE-WINNIPEG, CANADA

Legislature Look-Ahead

All-Out Warfare Shaping To Oust Alberta Socreds

From Our Own Correspondent

EDMONTON — In the pre-election session of the Alberta legislature, which opens this week, all signs point to a formidable opposition effort to throw the Social Credit party out of power.

Both the Conservative and Liberal groups have new provincial leaders, eager to blast Social Credit records and policies.

Nearly 100 candidates have been nominated already by the Liberal, Social Credit, Conservative and CCF parties for the 65 seats which will be at stake in the next general election.

This is an increase of four seats over the present House.

There's still keen speculation on the election date.

Some predict that the vote will be called in May or June.

Others suggest that it will come after the visit of Queen Elizabeth and Prince Philip to Alberta in July.

There's also the possibility of a "snap" election being called during the present session such as happened in 1955 when Premier Manning suddenly brought about dissolution of the assembly and a general vote.

This followed opposition criticism of government policies.

While there's a grist of legislation, some predict that the members of this fifth session of the 13th Alberta legislature will strive to finish by March 26, the day before Good Friday.

If the session lasts that long, the election may not be held before June.

It's significant that some Social Credit conventions to nominate candidates will not be held until mid-April.

The present session is expected to disclose a provincial budget in the neighborhood of $300 million, compared with the record one of $285 million in 1957.

A bill is indicated to expand the scope of the revitalized **Municipal Finance Corp.** to include school, hospital and municipal capital works projects.

The corporation may have to borrow $70 million on the open market this year to re-lend to municipalities.

Under its proposed five-year plan, the government will introduce legislation to provide 35 to 40 nursing homes at a cost of around $15 million.

The plan is to bring nursing home care for chronic patients within the province's existing hospital insurance program.

Legislation also will be introduced to provide for government - guaranteed farm improvement loans.

The government proposes to guarantee 50% of principal and interest on loans to a maximum of $2,000.

The program also provides for legislation to implement an expanded scholarship program, estimated to cost more than $1 million in its first year.

Provision also is to be made at this session for the first "special project" under the five-year plan.

The government plans to start building 54 homes for the aged throughout the province at an estimated cost of $16 million.

Two reports from commissions appointed by the government also are to be submitted during the session.

A preliminary report is expected from the commission on education, headed by Senator Donald Cameron.

The other report will come from a committee set up to study Alberta's Hutterite colony problem and the Communal Property Act which restricts the sect's land holdings.

While there was talk last year of the possibility of a provincial industrial tax, this is not expected to be proposed at this session.

The original suggestion was to replace municipal industrial taxes with a provincial tax while the revenue would be distributed among municipalities.

The proposal met a cool reception by some municipal officials.

Amending legislation is expected to include a bill to amend the Vehicles and Highway Traffic Act to raise the speed limit on four-lane and divided highways from 60 to 65 mph.

Heading the 15-member Liberal group is J. W. Grant MacEwan, MLA, Calgary, a former dean of agriculture at the University of Manitoba, He has been a member of the assembly since 1955.

The Conservative group of three members is headed by W. J. C. Kirby, a barrister and MLA for Red Deer. He has been in the House since 1954.

In the present 61 - member House, the standings are:

Social Credit, 36; Liberals, 15; Conservatives, three; CCF, two; Ind. S.C., one; Liberal-Conservative, one; Independent, one; vacant, one.

A by-election for the Olds riding to fill the vacancy caused by the death last December of Fred J. Niddrie, SC, will be held Feb. 9.

But the member will be unable to take his seat before March 2, owing to the period that must elapse before the results are given to the clerk of the legislature.

There are two candidates in this by-election:

R. A. Macleod, 50, a merchant at Sundre, who is the SC candidate, and Walter Anderson, 41, of Trochu, farmer, the Liberal candidate.

The Conservative and CCF parties did not enter candidates.

ANNOUNCEMENT

STERLING TRUSTS APPOINTMENT

H. DONALD LANGDON, Q.C.

R. T. Birks, Q.C., president of The Sterling Trusts Corporation, announces the appointment of Mr. H. Donald Langdon, Q.C., to the Board of Directors of that Company.

Mr Langdon, a partner in the firm of Birks, Langdon, McComiskey and MacLatchy, brings, with the appointment, his experience as a director of Commercial Finance Corp. Ltd., Kendall Refining Co. of Canada Ltd., Canadian Helicopters Ltd., Weldrest Hosiery Ltd., Silks Ltd., and Spitzer and Mills Ltd.

ANNOUNCING

Important appointments in Canadian Industry, Finance, Business and Government.

Acme Electric Corp. (Toronto)—H. Rae Smith, appointed sales manager.

Bituminous Coal Institute of Canada (Toronto)—E. R. K. Hooker, appointed president.

Bolton, Tremblay & Co. (Montreal)—Guynemer T. Giguere, appointed executive vice-president.

Canadian National Railways (Toronto)—F. A. Rowell, appointed passenger sales representative.

Canadian Pulp and Paper Association (Montreal) — Vernon E. Johnson, appointed chairman of the executive board; G. M. Hobart, A. C. Price, vice-chairman; J. McK. Limerick, chairman technical section; R. H. R. Young, vice-chairman.

Cape Asbestos (Canada) Ltd. (Toronto)—R. E. Cryor, appointed president; Ian C. Spark, appointed general manager.

Daily Commercial News Ltd. (Toronto)—Clive H. Chattoe, appointed vice-president and editorial director.

Ditto of Canada Ltd. (Toronto) — S. J. Burk, appointed manager of newly-opened Vancouver office.

Dominion Stores Ltd. (Toronto) — Charles Halsey, appointed manager for Manitoba and Saskatchewan.

Household Finance Corp. of Canada (Toronto)—S. C. Bildfell, appointed manager Moose Jaw; R. M. Fulton, manager Yarmouth, N.S.; C. G. Heon, manager Lachute; R. D. Jacques, manager Asbestos; L. M. Lancefield, manager Waterloo; G. W. Peterson, manager Prince Rupert.

International Nickel Co. of Canada (Toronto)—Hon. J. Kenneth Weir, appointed director and a member of the advisory committee.

R. Laidlaw Lumber Co. (Weston, Ont.)—Allan Hamilton, appointed manager, dealer division; Arthur Philp, assistant manager.

Laura Secord Candy Shops (Toronto)—R. O. Baker, appointed general sales manager.

H. E. Mott Co. (Brantford) — J. E. Mott, appointed president; H. E. Mott, moves to chairman.

W. H. Olsen Manufacturing Co. Tilbury, Ont.) — E. J. Marchand, appointed vice-president; W. H. Olsen, president.

Quetico Foundation (Toronto) — John B. Ridley, Harry Isaac Price, Arthur Albert Schmon, appointed trustees.

Ronson Products of Canada (Toronto)—Arthur B. Johnston, appointed vice-president and general manager.

Simpsons-Sears Ltd. (Toronto) — H. A. Cardwell, appointed vice-president merchandising.

Sun Life Assurance Co. of Canada (Montreal) — D. S. A. Bell, appointed inspector of agencies.

Toronto General Trusts Corp. (Toronto) — J. Douglas Gibson, appointed director.

United-Carr Fastener Co. of Canada (Hamilton)—J. Robert Johnston, appointed vice-president sales; George J. Muir, secretary-treasurer.

United Printers and Publishers Inc. (New York) — Fred L. Cranston, of Toronto, appointed director.

Ventures Ltd. (Toronto) — S. M. Wedd, appointed director.

Victor Adding Machine Co. (Canada) Ltd. (Galt, Ont.)—Alvin F. Bakewell, appointed director.

Victor Adding Machine Co. (Canada) Ltd. (Galt, Ont.)—Norman Jackson, appointed sales supervisor, Ottawa.

Vickers & Benson Ltd. (Toronto) —Frank E. Thomas, appointed vice-president.

Victoria and Grey Trust Co. (Lindsay, Ont.)—R. G. Thomas, appointed general manager.

Westcoast Transmission Co. (Vancouver)—George A. Martin, A. P. Bowsher, appointed directors.

Westminster Paper Co. (New Westminster)—Charles W. Card, appointed assistant to the president; Douglas Holme, appointed director, traffic and customer service.

Whitehall Laboratories Ltd. (Cooksville, Ont.)—William H. Allen, appointed vice-president.

Young & Rubicam (Toronto) — C. William VanHouten, Y. J. Menard, E. S. Clements, appointed vice-presidents.

IGA Plans Non-Food Push Sales Up 560% from 1953

Member stores of **Independent Grocers' Alliance** will push harder in the non-food field this year.

IGA has already successfully test marketed various non-food products in Ontario, now is ready to expand non-food departments of member outlets across the country, Vice-President John F. Damore says.

It comes on the heels of big IGA gains last year, in total sales, in number of outlets, more supply depot facilities.

In 1958:

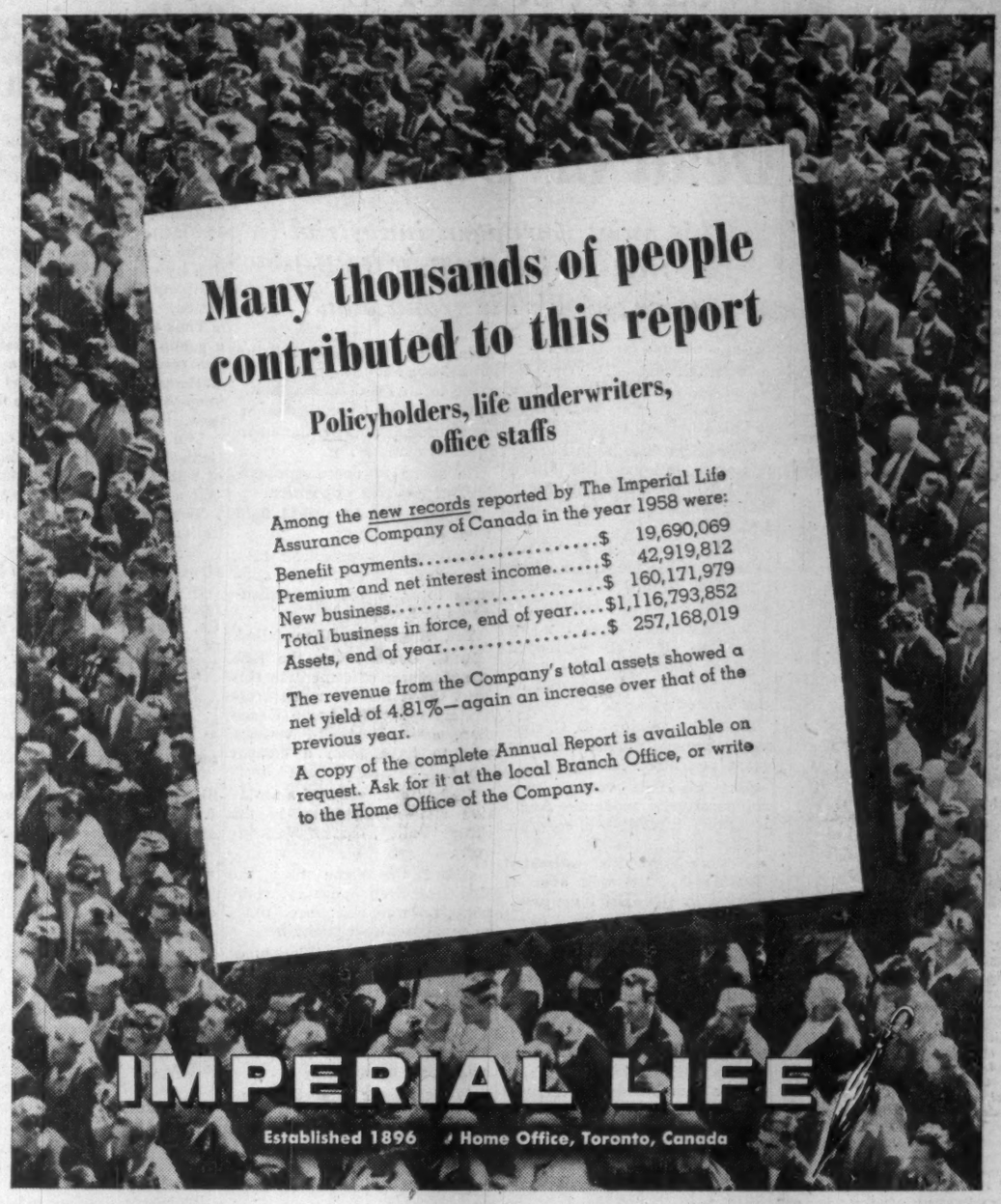
- **IGA sales were $238.5 million, up 15%** from the previous year.
- **Total of 670 stores at year-end, up from 630** a year earlier. Biggest expansion in outlets in Quebec City, Cape Breton and northern Saskatchewan.
- **Currently 24 IGA outlets** are under construction.

Public financing is playing a bigger role in IGA activity.

Last year, the Montreal supply depot, **Shop & Save (1957) Ltd.**, became publicly owned, and another depot may take the same step shortly.

Shop & Save shares have soared from an initial price of $7 to a recent $19.

IGA sales in 1953 were $36 million, first full year of operations in Canada. That represents a gain of 560% to last year's sales record.



Three Businessmen Win Top Prizes In Institute Exams

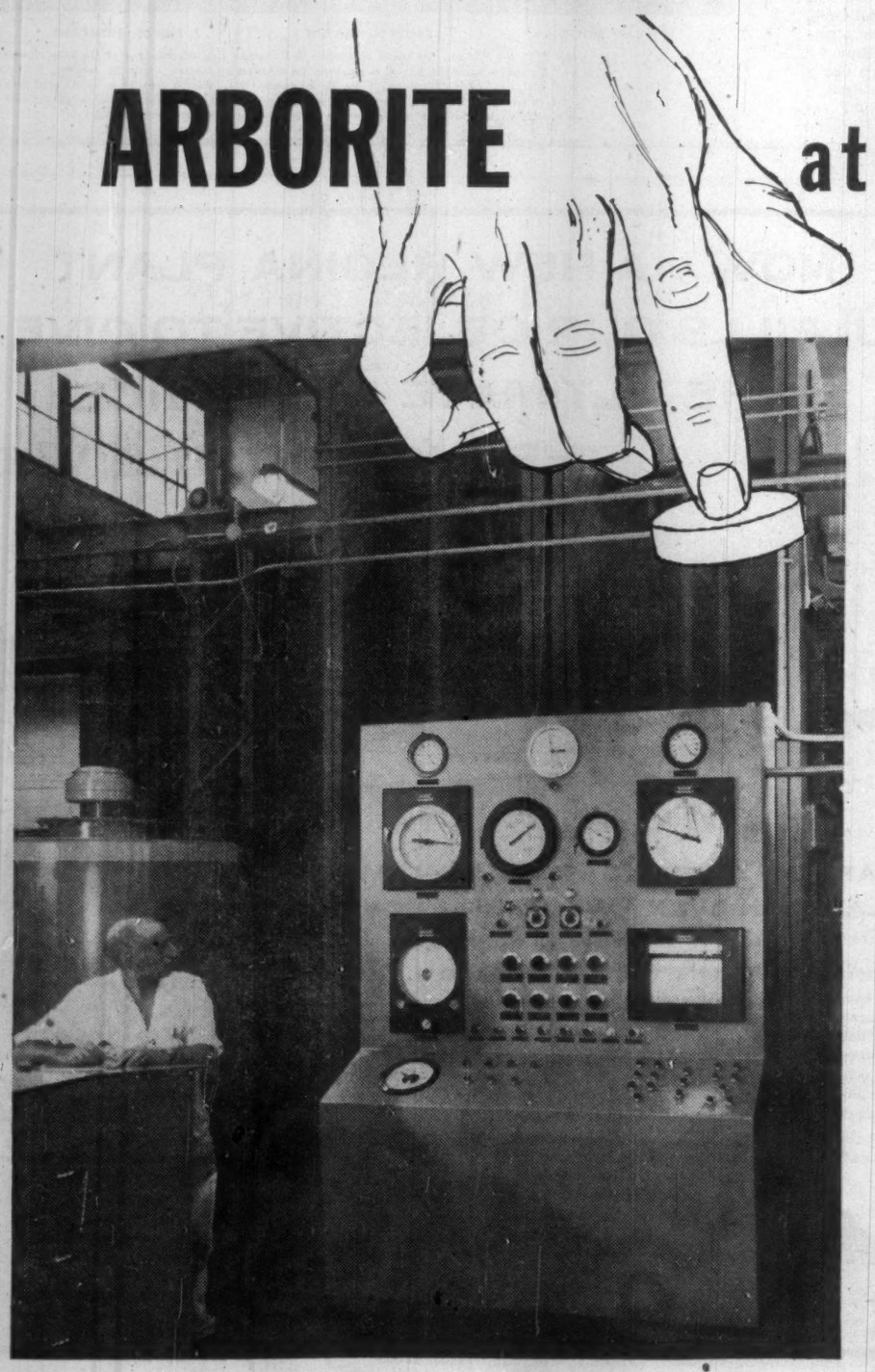
Three Canadian businessmen have won top prizes in the latest set of examinations held by the Chartered Institute of Secretaries, National Chairman J. C. Bonar announces.

Gordon D. Dean, Vancouver trucking firm executive, has been awarded the Sir Ernest Clarke prize and the Institute overseas prize for highest marks at final year exams.

Alex Bercovici of Toronto was awarded the George Strachan prize for best paper in advanced economics and Institute prize for best paper in company law.

John W. Jeffrey of Toronto won J. F. Clark prize for best paper in economic theory at the intermediate exam.

ARBORITE at the touch of a button



HONEYWELL INSTRUMENTATION provides centralized control over the world's first completely automatic multi-platen press for the production of laminated plastic

At the Arborite Co., Ltd., Montreal, Quebec, quality is traditional . . . is acclaimed wherever Arborite is sold or used. Honeywell plays a big part in helping to guard Arborite quality while holding costs in line and stepping-up production.

Honeywell instrumentation is the "key" to fully automatic control of the multi-platen press through the entire heating, curing and cooling cycle.

At the touch of *one button*, Honeywell instrumentation takes over . . . has complete automatic control over the following variables: (1) Ram pressure, 6000 psi hydraulic; (2) Temperature during heating and curing, by steam pressure control; (3) Cooling, steam and water valves are interlocked so that when curing is completed, steam is exhausted and the outlet header temperature drops to a predetermined value, before water valve opens.

From the Honeywell Instrumentation Center, the batch process-operator maintains a constant check on quality and volume. And, a complete record of the operation is always available.

Honeywell customized instrumentation can help increase efficiency in your operation. Honeywell offers you the most comprehensive line of instruments. And with the most extensive field service organization in Canada, Honeywell engineers are available to work with plant and engineering personnel to devise an instrumentation system for your processing. Honeywell can, if you wish, install, start-up and maintain systems. For complete information, call the nearest Honeywell office, or write to Honeywell Controls Limited, *Industrial Division*, Toronto 17, Ontario.

Honeywell

Industrial Products Group

TIN MILL PRICES

The Steel Company of Canada, Limited, Hamilton, Ontario, announces Tin Mill Products, mill base prices, effective April 1, 1959, for the period ending September 30, 1959, as follows:

F.O.B. mill, mill base prices, 100 lb. basis weight, per base box.

Common Cokes	$10.60
No. 25 Electrolytic	9.10
Tin Mill Black Plate	8.30

MOLSON & CO. CHANGES

Molson & Co., members of the Montreal and Canadian Stock Exchanges, has become a limited liability company, effective Feb. 1. James N. Morton is president of the new firm; J. Trevor Thompson, vice-president, and H. J. Ross Newman, C.A., treasurer. F. Stuart Molson, owner of the predecessor firm, is chairman of the company. Douglas E. F. Watts is director of research.

ANNOUNCEMENT

TRADERS FINANCE CORPORATION LIMITED

J. H. McGIBBON

Mr. W. J. Carey, Vice-President-Sales, TRADERS FINANCE CORPORATION LIMITED, announces the establishment of the Company's TORONTO EQUIPMENT DIVISION and the appointment of Mr. James H. McGibbon as Sales Manager of that Division.

Mr. McGibbon who was most recently attached to the Company's Toronto Regional Sales Department, brings many years of experience in the field of instalment sales financing to his new position. Working from the Equipment Division Headquarters in the Traders Building at 625 Church Street, Mr. McGibbon will cover the Central Ontario area co-ordinating the Company's services for the Industry's Manufacturers, Contractors and Distributors.

The establishment of this Equipment Division Office is a further step in Traders greatly expanded financing facilities across Canada.

Wallersteiner's Industry Empire: Dead or Dozing?

This quiet European industrialist's first project in B. C. failed; silence enfolds his grand plan . . .

From Our Own Correspondent

VANCOUVER — Dr. W. K. Wallersteiner, little-known European industrialist, has wrapped his plans in silence.

He's believed to be in Europe this week, following the failure of his first industrial venture in B. C., **Anglo Canadian Cement Ltd.**

The big question: What's ahead now for his dream of an industrial empire built around steel, chemicals and cement?

Wallersteiner — he's also known as Dr. Waller—stepped into the spotlight a few years ago when he first appeared on the Vancouver scene.

He had plans for a B. C. steel mill, chemical plants, a cement plant and other industries.

But his first venture was comparatively modest — Anglo Canadian, a ready-mix concrete distributor.

Nevertheless, it's estimated that he invested well over $1 million in the initial venture.

The tall, lean European (over six ft., three in.) remained a little-known figure.

He's understood to have had considerable success in chemicals and cement in Europe and Africa.

His family is said to be wealthy.

He's understood to have given appreciable sums to various charities in Europe.

Beyond that, few Canadians know more.

Why did his cement venture fail?

The answer probably lies in unusual local conditions, the rugged competition.

After his initial "splash," Wallersteiner went into retreat.

He shunned the press and the public, but about a year ago he spoke to an **FP** correspondent.

He expressed astonishment, bewilderment at some Canadian business methods.

He spoke of fierce competition, of positive opposition.

He indicated he would fight it out in Vancouver.

Wallersteiner produced files, documents, and newspaper clippings to show his accomplishments in Europe.

Yet, Anglo Canadian failed.

B. C. Cement was the lone manufacturer of cement in this West Coast market when Wallersteiner set up Anglo Canadian, and his second venture was to have been a cement plant.

He had even selected a tentative site—at Popkum, in the Fraser Valley, east of Vancouver.

About the same time the powerful French cement company, **Lafarge,** announced plans to manufacture cement here.

Lafarge's multi-million plant in Richmond municipality, south of Vancouver, came into production about a year ago.

Supply apparently was one of the Wallersteiner ready-mix company's headaches.

Wallersteiner imported some cement from Japan.

Talk in the industry was that on occasion he had to import gravel from the U. S. at prohibitive prices.

A Calgary-B. C. group of businessmen is seeking to salvage Wallersteiner's company. And a meeting of creditors was told:

Wallersteiner "no longer has any interest in this matter."

May Salvage Wallersteiner Cement Firm

From Our Own Correspondent

VANCOUVER — A Supreme Court decision appears to have paved the way for one of two rival groups to take over **Anglo Canadian Cement Ltd.** (**FP**, Jan. 24.)

The court refused an application by one group to throw the company into immediate liquidation.

Thus the way seems clear for a group that sought to salvage the company, to make a debt settlement with creditors and keep Anglo Canadian in business.

The company ceased operations at year-end with liabilities of $1,651,434, assets of $493,071 and a deficit of $1,158,363.

The group that sought liquidation:

Eric D. S. Scholefield, of **Construction Aggregates Ltd.**, of New Westminster; R. J. Cattermole of **Cattermole Logging Co.** (which made the actual application); and David Pitkethly of **Pitkethly Bros. Ltd.**

This group plans to enter the ready-mix concrete business and hoped to buy Anglo Canadian equipment and employ some of the company's staff.

But the opposition — **J. W. Sharp, William C. Ralston** and **J. N. Turvey** — will submit an offer to creditors in two or three weeks, which will provide:

- Secured claims to be paid in full, on present or re-negotiated contracts.
- Following preferred claims in full, salaries, wages and commissions of employees up to $500 and expenses up to $300, trustees' fees and legal costs, levy payable to the government under the Bankruptcy Act.
- 10c on the dollar in full settlement of other preferred claims and unsecured claims.

(Unsecured creditors may elect instead to receive 5% preference shares equal to the amount of their claims.)

Turvey's group established and sold **Saskatchewan Cement Co.** in Regina, built and owns **Prairie Pipe Manufacturing Co.**, is now building **Interprovincial Steel Corp.**, a $15.5-million project which will be in operation within a year.

Sharp is former general manager of **Deeks-McBride.**

Ralston operates **Lions Equipment Co.**, formerly was a partner in **Craig and Ralston,** pipeline contractors, prior to that was with the huge **Bechtel Corp.**

Turvey is a former comptroller of **Marwell Construction.**

This group is sending out a notice of meeting to creditors.

If 75% accept the offer (as provided under Part 3 of the Bankruptcy Act), the group is confident of court approval.

Peace River Move Likely Following Directors' Meet

From Our Own Correspondent

VANCOUVER — While Ottawa pushes to reach agreement with the U. S. on Columbia River development, mark Feb. 19-20 as dates on which counter forces will probably make important moves.

Peace River Power Development Co. directors will meet in Vancouver on those dates, likely issue instructions to commence actual design of at least the first dam for its power project on the northern river.

(The meeting had been scheduled for late January (**FP**, Jan. 17) but was put back to enable completion of engineering reports.)

Prospects on the Peace: four million hp to eight million hp, the world's largest single hydro-electric development, dwarfing Grand Coulee and other U. S. installations to the south.

Wenner-Gren interests are the major shareholders in Peace River Power.

But while the momentous Columbia-Peace River race continues, the Wenner-Gren organization has been quietly but vigorously pushing ahead other phases of its integrated project for B. C.'s Rocky Mountain Trench.

Its mineral crews have discovered interesting showings of copper, lead, zinc—and iron.

More than 700 claims have already been staked—and the exploration crews say the chances of finding oil and coal are good.

Indicative of the thoroughness of the mineral search: An aerial geophysical survey of 128,000 sq. miles in the Trench area is near completion.

Cost of the mineral search to date: $750,000, and this is in addition to the millions already spent on the power development and other surveys.

Lundberg Explorations, of Toronto, are doing the mineral work for Wenner-Gren, utilizing a Beaver, twin-engined Apache and helicopters in the work.

The Lundberg company gains a 10% interest in all mineral finds, the remainder presumably going to Wenner-Gren interests.

The B. C. government's determination to push the Peace Power project ahead, whether the Columbia goes ahead or not, has been re-emphasized in recent days.

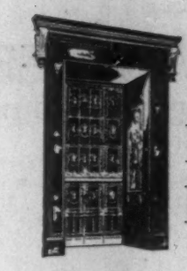
At his Ottawa meeting with Prime Minister Diefenbaker, Premier Bennett offered to cooperate with the federal government in Columbia development—but not at the cost of abandoning the Peace project.

And B. C. Lands and Forests Minister Ray Williston has told the Legislature development of Peace River power is the only solution to a "critical" electricity shortage expected to develop in B. C. between 1962 and 1965.

WIN CONTRACT

From Our Own Correspondent

HALIFAX — A $427,192 contract for construction of a new municipal administration building for Halifax county has been awarded to **Foundation Maritime Ltd.** Completion date: Oct. 30.



Progress Report

to the Policyowners of North American Life

HIGHLIGHTS OF THE YEAR 1958

Benefit Payments and Provisions *Increase* $5,945,281	$	39,912,457
New Assurances and Annuities *Increase* $25,523,317	$	261,255,518
Assurances and Annuities in force *Increase* $205,880,112		$1,743,934,234
Total Assets *Increase* $24,699,867	$	285,879,344

A copy of the complete Annual Report is available on request

NORTH AMERICAN LIFE

HEAD OFFICE—Toronto, Canada

SOME FRESH FACTS FOR FEBRUARY!

A. M. KIDDER'S FEBRUARY REPORT contains a searching analysis of the "Effervescent" Chemical Industry—along with certain selected stocks that may out-perform the chemical group as a whole.

In addition, you'll find the FEBRUARY REPORT contains a highly informative section—Investment Policy And Stock Market Outlook—and Selected Securities For Varying Objectives.

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Corby Profit Drops by 4%

MONTREAL (Staff)—**H. Corby Distillery Ltd.** consolidated net profit for first fiscal quarter ending Nov. 30 last was $610,553 (55c per share) or 4.3% lower than $638,009 (57c) in corresponding 1957.

Company says sales are satisfactory but rising costs are squeezing profits.

Here are comparative details:

Quarter ended	Nov. 30, '58	Nov. 30, '57
	$000	
Operating inc.	1,220	1,271
Less: Exec. exp.	22	15
Deprec.	32	30
Plus: Invest. inc.	34	35
Less: Inc. tax	589	624
Net profit	611	638

Note: During quarter ended Nov. 30, 1958, the pound sterling weakened in terms of the Canadian dollar with result that dollar value of net current assets of subsidiary in Scotland decreased by $6,693. This unrealized loss was charged against the reserve for exchange fluctuations, reducing the reserve from $84,243 to $77,550.

TAX AGREEMENTS

From Our Own Correspondent

SAINT JOHN—Fixed taxation agreements have been reached for two new industries in Carleton County, N.B. **McCain Foods Ltd.** and **Carleton Cold Storage Ltd.** each will pay the county $750 per year for the next 10 years. For the following five years each will pay $1,000 and for a further five years the payment will be $1,500 from each company.

ANNOUNCEMENT

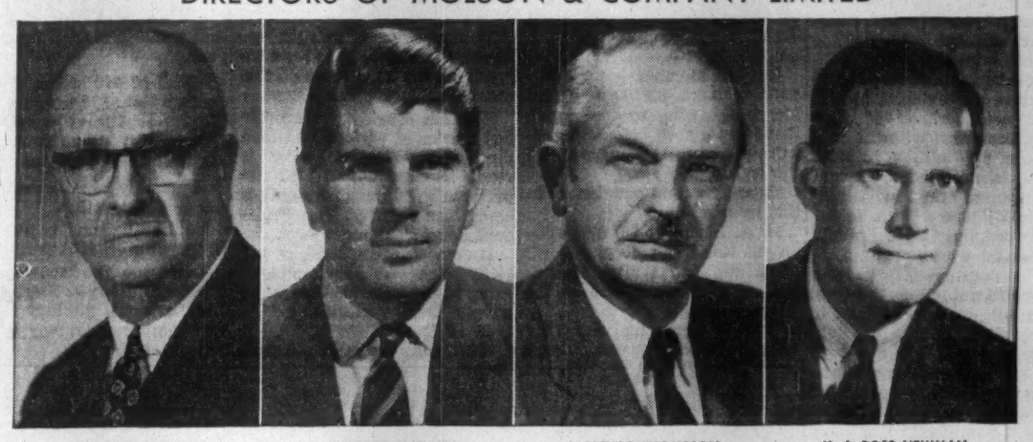
STANDARD LIFE APPOINTMENT

G. DRUMMOND BIRKS

who has been elected to the Canadian Board of Directors of THE STANDARD LIFE ASSURANCE COMPANY. Mr. Birks is Assistant to the President of Henry Birks and Sons Limited.

ANNOUNCEMENT

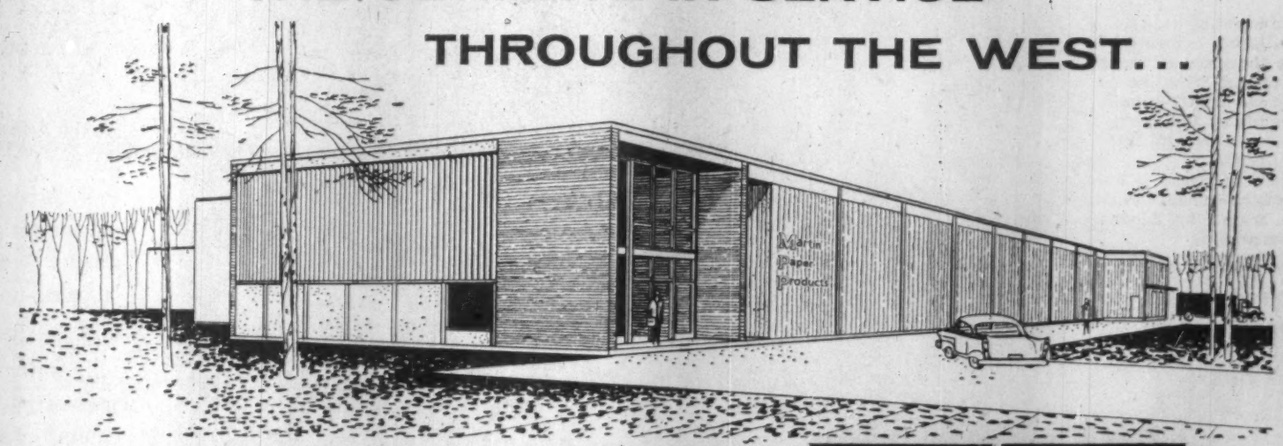
DIRECTORS OF MOLSON & COMPANY LIMITED



F. STUART MOLSON — JAMES N. MORTON — J. TREVOR THOMPSON — H. J. ROSS NEWMAN

Mr. F. Stuart Molson, Chairman of Molson & Company Limited, Member of the Montreal Stock Exchange and Canadian Stock Exchange announces the election of Messrs. James N. Morton, J. Trevor Thompson, and Mr. H. J. Ross Newman, C.A., as directors. Mr. Morton has been appointed president of the new company, which takes over the twenty-six-year-old investment business of Molson & Company, with Mr. Thompson as vice-president, and Mr. Newman as secretary-treasurer.

NOW...A NEW REGINA PLANT FULFILLS OUR OBJECTIVE TO GIVE YOU THE ULTIMATE IN SERVICE THROUGHOUT THE WEST...



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provide fast convenient service from . . .

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The opening of our Regina plant on February 4 completes the chain of Martin's modern corrugated container plants across the West. The new Regina plant contains every up-to-date facility; special emphasis has been placed on package development and engineering, and on artwork and printing.

One special mechanical feature is the 78-inch Langston Corrugator, capable of producing up to 132,000 square feet of corrugated board per hour—enough to make a corrugated tarpaulin for two football fields!

With the opening of our Regina plant, the extension of fast, dependable service to the whole of Western Canada has been realized.

Lloyd E. Angle, *Manager of the new Regina plant. Mr. Angle joined Martin Paper Products in 1954 as resident salesman in Saskatoon, and later became Sales Manager for the province of Saskatchewan.*

Philip T. Cook, *Production Manager. Mr. Cook, formerly a project engineer in the engineering division of Powell River Company Limited, was the resident engineer during the construction of the plant.*

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MEN WHO THINK OF TOMORROW PRACTICE MODERATION TODAY

The House of Seagram

DISTILLERS SINCE 1857

How Lakehead-Prairie Port Plans Will Work

"It is sincerely hoped that the three western provinces will consider this new port as their port and that all our Canadian business will go through this outlet . . ."

From Our Own Correspondent

WINNIPEG — "Keep Canadian Business in Canadian channels" was the keynote theme of an interprovincial conference here last week.

It was called by Manitoba industry and commerce minister Gurney Evans to examine how the Prairie Provinces and Northwest Ontario may get maximum benefits from the St. Lawrence Seaway.

The result: A resolution to form the Canadian Lakehead Port Association.

Its organization, was unanimously supported by government representatives of Ontario, Manitoba, Saskatchewan and Alberta.

Ontario's Premier Frost sent the meet a letter stating that "Ontario will do everything possible to ensure early completion of Lakehead port facilities and their ramifications."

"It is sincerely hoped," he wrote, "that the three western provinces will consider this new port as their port and that all our Canadian business will go through this outlet."

For the present, the Canadian Lakehead Port Association is set up informally, with headquarters at Winnipeg.

Contact representatives will be named, one each for the four provinces, and one each for Fort William and Port Arthur.

Costs of maintaining and operating it will be paid 40% each by Manitoba and the Lakehead and 10% each by Saskatchewan and Alberta.

Until the association gets formally organized the secretarial work will be done by the Manitoba Transportation Commission.

This is a non-government organization in which the chief members are the city of Winnipeg, the Winnipeg Chamber of Commerce, the Manitoba Federation of Agriculture and the Manitoba government.

Within a few weeks another meeting will be held at the Lakehead.

Objectives and powers of the Association were not defined.

It was plain that one of the chief efforts will be to head off diversion of Canadian traffic by rail, water and truck to U. S. centres.

A representative of the company which recently announced plans for a $100 million port development (FP, Jan. 31) at Duluth and Superior was invited, but did not attend.

In essence, the meeting was a drive for a form of economic unity between the Prairie Provinces, particularly Manitoba, and Northwest Ontario.

The new Association will be the agency for a concerted and co-operative drive to hold for Canadian interests the benefits of the Seaway and not let them slip away.

The field for activity, the meeting agreed, was wide open.

The whole area has a common interest in quick and adequate development of the Lakehead ports.

The area was likewise concerned with increasing freight rates which vitally affect the western provinces and Lakehead shipping.

The day before the meeting, the federal government announced it would build a $5½ million general cargo terminal at Port Arthur for ocean shipping.

Federal representatives told the meeting legislation had already been passed for a Lakehead Harbor Commission which would probably be appointed in March.

A resolution was also passed urging an immediate survey of traffic potential, preferably to be undertaken by the federal government although this was not stated in the resolution.

Alberta highways minister Gordon Taylor said this was essential if the western provinces were to get maximum benefits of the Seaway.

Mr. Taylor also urged the need for motor vehicle license reciprocity agreements between the provinces for truck traffic carriers.

Mr. Wardrope announced the Sault Ste. Marie-Lakehead gap in the Ontario section of the Trans-Canada Highway would be at least all graveled by end of 1959 but not all paved.

Manitoba at present has no agreement with Ontario with respect to truck licenses.

It has complete reciprocity with Minnesota and Dakota under which truck owners pay only one license, partial reciprocity with Wisconsin and Michigan.

Most of the east-west traffic goes on U. S. highways.

Alberta, Mr. Taylor said, had agreements with some of the provinces and with 25 of the U. S. states under which truckers may operate in all jurisdictions with one license fee.

Recently it had made a similar arrangement with Alaska, and hoped before long to have complete reciprocity with every province in Canada.

Until this came about, the western provinces couldn't expect to get full advantages of the Seaway.

All the provinces were represented at the meeting by at least one minister:

Alberta by highways minister Gordon Taylor; Saskatchewan by municipal affairs minister L. P. McIntosh and Dr. George Britnell, of the economics department of its university; Ontario by Hon. George Wardrope and Clare Mapledoram, MPP, Fort William; Port Arthur and Fort William by their respective mayors Norman Wilson and C. Sappala and several members of their councils, W. G. Charnock, Fort William, chairman of the Harbor Commission and Alexander Phillips, director of Northwestern Ontario Development Association.

The federal government was represented by Dr. E. P. Weeks, director of economic policy for the Public Works Department, and W. J. Manning, director of marine services for the Department of Transport.

'Secede from Ontario' Move Peps at Lakehead

From Our Own Correspondent

FORT WILLIAM — Is resources-rich Northwestern Ontario, led by the Lakehead cities moving toward marriage with Manitoba and the West?

Here are some signposts:

- **Lakehead leaders** with representatives of the Prairie Provinces have formed the Canadian Lakehead Port Association.
- **A Union - With - Manitoba - League** has been launched at the Lakehead.

Its leader, Hubert Limbrick, of Fort William, told **FP**: "There's no future for us being tied to the East."

However, there was this one pacifying development in the simmering Northwest:

Ottawa has officially picked an intercity location (in Port Arthur) for construction of a $5.5-million harbor terminal on the Lake Superior waterfront. Tenders will be called within three months.

Summing up last week's Winnipeg meeting (see separate story), Alexander Phillips, general manager of the Northwestern Ontario Development Association, told **FP**:

"Northwestern Ontario is realistically facing the facts of life — that its economy and future is identical with Western Canada.

"If we are vigilant and active, we can keep Canadian trade in Canadian channels."

Phillips says there's no inclination by Western Canada leaders to underestimate **International Duluth Seaport Corp.'s** plans for the Minnesota city (**FP**, Jan. 31).

In view of location — 200 miles apart — and different economic and traffic patterns, Lakehead leaders doubt that the Canadian Lakehead will benefit to any important extent from any major development at Duluth.

Limbrick launched his Union - With - Manitoba - League before the Fort William Rotary Club, blasting "neglect of the Ontario government toward Northwestern Ontario.

"The next two years," he says, "will mean the making or breaking of the Lakehead."

Limbrick's first two steps are to get formal expression of support from the Manitoba government, then present a plebiscite to Northwestern Ontario's 210,000 people.

His dream: A new seaport for Manitoba, with the amalgamated Lakehead cities the second largest centre in Manitoba.

B. C. Group Buys Key Site At Lakehead

From Our Own Correspondent

VANCOUVER—A small group of Vancouver investors has picked up a plum in the scramble for St. Lawrence Seaway traffic.

Midway Terminals Ltd., a holding company, has acquired **Great Lakes Lumber and Shipping Co.**, located on key waterfront property at Fort William, in a deal worth more than $1 million.

Site was purchased from D. A. Clark of Port Arthur.

Midway will use the site for a deepsea shipping terminal for western lumber and other goods.

The Great Lakes company has more than 500 ft. of waterfront and, it is understood, both Fort William and the federal government have had an eye on the site as a potential Seaway terminal.

Midway, expecting a revival in lumber, would ship lumber from two B. C. mills, pick up other lumber in the west for delivery to the Fort William site.

But it looks for grain and other goods also as western traffic swings toward the Seaway.

The Vancouver company required 18 months to sew up the deal.

It has also acquired **Sinclair Spruce**, which has a sawmill and a B. C. forest management license north of Prince George, and **John Lutton Ltd.**, which has a sawmill at Keremeos, B.C.

Organizer of Midway, a private company, was **H. H. Hemsworth and Co.**, member of Vancouver Stock Exchange.

Midway is composed of about half a dozen Vancouver men, who have put up some of their own money and also financed with bonds.

The Great Lakes group reportedly has assets of some $6 million.

Bond Financing Declines Sharply

Canadian government, provincial, municipal and corporation public bond financing in Canada totaled $119,419,835 in the first month of 1959.

This was 77.5% lower than the January, 1958, total of $531,052,951, according to the monthly compilation by **Wood, Gundy & Co.**

The difference is accounted for largely by an issue of $300 million Government of Canada Guaranteed Canadian National Railway bonds and a larger amount of corporation bond financing done in January, 1958.

Municipal bond financing during January, 1959, totaled $9,053,060, 38.1% lower than that for the same month last year.

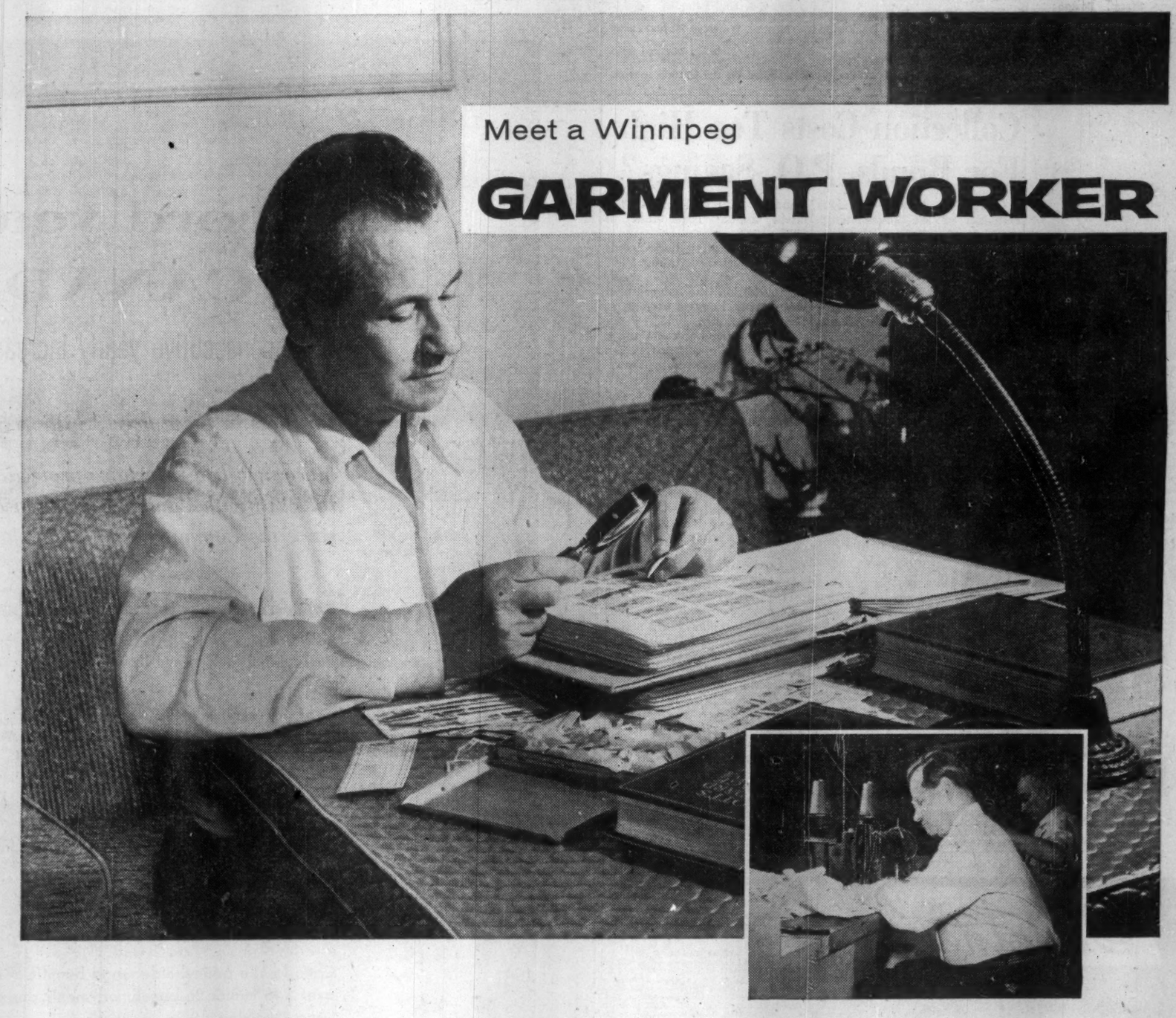
Provincial direct and guaranteed financing last month totaled $107.1 million and included $75 million Province of Ontario 4¾% debentures due 1984, payable in U. S. funds; $12 million Province of Nova Scotia debentures, with $3.5 million 2½% debentures maturing in 1961, and $8.5 million 5% debentures due 1979; and $8 million Province of Saskatchewan 5% debentures due 1977/79. The January, 1958, provincial total was $70,183,000.

New corporate bond financing was down to $3,250,000 for January, 1959; a year earlier it was $146.3 million.

Here is a breakdown of bond issues for the first month of 1959:

Month of Jan.	1959 $	1958 $
Can. dir. & guar.*	....	300,000,000
Prov. dir. & guar.*	107,116,775	70,183,000
Ont. munic.	4,853,274	4,253,279
Que. & Mari mun.	2,433,500	10,231,670
West. mun.	1,765,286	73,613
Corporation	3,250,000	146,250,000
Total	119,419,835	531,052,951
Pay. in Can. fds.	44,419,835	461,052,951
Pay. in U. S. fds.	75,000,000	70,000,000
Can. short term obligations†	540,000,000	605,000,000

*Over two years in term.
†Under two years in term.



MR. HARRY ULLMAN of Sterling Cloak Ltd., a philatelist of long standing, is one of 5,438 persons employed in Winnipeg's needle trade industry. With 150 establishments in Winnipeg, sales last year exceeded $41,000,000. And that's only part of the story of Winnipeg, Canada's fourth largest market!

Look at the facts:

- Two major constructions were launched in November 1957 as work started on the $5 million Simpsons-Sears department store in Winnipeg and the Campbell Soup Company plant near Portage La Prairie.
- A recent milestone in Manitoba's industrial development was the completion of a 30-mile CNR spur line from the Hudson's Bay Railway to the new townsite of Thompson where the International Nickel Company is developing a mining venture.
- 1957 building permits for the City of Winnipeg, totalling $31,206,269.00, showed an increase of some $3 million over the 1956 level.
- A $500,000 development and exploration program at Hanson Lake, 40 miles west of Flin Flon was announced by the Parrex mining syndicate in October 1957.

Further evidence of Metropolitan Winnipeg's growing prosperity is in its retail sales figure of $399,212,000.*

To cover Winnipeg's 421,000 population you need The Winnipeg Tribune—73,000 copies sold prove this point every day.

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ANNOUNCEMENT

J. H. CRANG & CO.

WILLIAM T. AGAR

J. H. Crang & Co. announces that William T. Agar has been admitted as a General Partner. Mr. Agar will continue to direct the Institutional, Foreign and Investment Accounts Departments. Previously he gained wide financial experience as an investment trust executive in the City of London, before coming to Canada. He served six years during World War II with the 4th Battalion of the Grenadier Guards, retiring with the rank of major.

Parliament's Business

By FP's OTTAWA STAFF

Verbal Free-for-Alls

OTTAWA (Staff) — During the Throne speech debate both parties acted as if they were in Opposition.

The Liberals are in opposition and the debate showed that they have adjusted themselves to the job of attacking the government. They have acquired a cohesion conspicuously lacking during last summer's debates.

But the Conservatives acted as if their job was to attack the Opposition.

Instead of talking about their coming programs, defending their accomplishments, or even standing pat, cabinet minister after cabinet minister stood up and whacked away at the Liberal leaders, or at alleged misdeeds of the Liberal Party before 1957.

The result was to shift the spotlight from the government's accomplishments to the Opposition's tactics; and to provide a field day for Messrs. Pickersgill, Martin and Chevrier with points of order and privilege and interjections.

Generally, Mr. Pearson egged them on. Sometimes, he joined in.

Each day of the Throne speech debate provided several verbal free-for-alls. Members of both sides took to pounding their desks and shouting.

One notable exception was Agriculture Minister Harkness who gave the House a review of government activities under the Agricultural Prices Stabilization Act and other farm-help measures.

Closing Throne debate speeches by Messrs. Martin and Fleming were typical of many that had gone before.

Mr. Martin taunted Mr. Fleming at length for failing to disclose government policies to deal with unemployment. He was interrupted eight times by three government members.

Here is one of the passages:

Mr. Martin: "I say to the Minister of Finance that he has the responsibility as Minister of Finance and the government of which he is a member has the duty to give to this House and the people of Canada an answer to these questions (about unemployment and inflation). If the honorable gentleman refuses to do so, he will warrant the indictment of a government."

Mr. Fleming: "Br-r-r-r."

For his part, Mr. Fleming jeered at Mr. Martin for failing to offer "constructive" criticism and at the Opposition at large for "irresponsibility."

"I ask the House to have regard for what the Opposition has been doing in this debate. They have been gathering together, raking up, repeating, restating, multiplying, embellishing, exaggerating everything that they can lay their hands on which by any stretch of the imagination appears to be disadvantageous to the government."

To get through his peroration, Mr. Fleming had to deal with 12 interruptions by eight Liberals.

Private Bills

One result of the increased pace the Liberals set was to put the tiny CCF group into temporary eclipse.

But because they are prompt and persistent, the CCF will get a good deal of their own back in private member discussion periods during the next few weeks. **But they will also waste a good deal of Parliament's time.**

Of the 19 private member bills introduced to date, the eight CCF members have introduced 11. Five are identical with bills they introduced last session and which Parliament discussed.

Only four bills each have come from the ranks of the Conservatives (208 members) and Liberals (49 members).

Six Mondays and two Thursdays in each session, plus an hour each on Tuesdays and Fridays are devoted to private members' business.

Bills get a formal "first reading" on presentation by the members. Then they are printed and distributed.

Debate takes place during "second reading" during the private member discussion periods and this is done in the order in which the bills are introduced.

Getting bills in promptly at the beginning of a session is the way to get them debated; this is why promptness is one of the secrets of the CCF's success with private bills.

These bills have almost no chance at all for adoption, because they don't often command the support, or even the acquiescence of the government.

ON THE RECORD

The Progress of Measures Before Parliament To Feb. 3

HOUSE OF COMMONS:

- Debated on the Throne speech.
- Adopted the Address in reply to the Throne speech 176-6.

THE SENATE:

- Gave first reading to:
  Bill S-6, New Brunswick Indian reserves.
  11 divorce bills.
- Gave second reading to:
  Bill S-2, land patents.
  Bill S-3, Shipping Act changes.
  Bill S-4, **Waterloo Mutual Insurance Co.**
  Bill S-5, Canadian Medical Association.
- Debated on the Throne speech.

ANNOUNCEMENT

CROWN LIFE INSURANCE COMPANY APPOINTMENTS

DR. R. C. MacKAY — W. J. FERRIS — R. W. HUTCHON — F. W. ST. JOHN

The Crown Life Insurance Company announced the appointments of Dr. R. C. MacKay as Associate Medical Officer, Mr. W. J. Ferris as Manager for Great Britain, Mr. R. W. Hutchon as Underwriting Secretary, and Mr. F. W. St. John as Mortgage Secretary.

Collection Costs Too High For Bonds, P.O. Savings?

OTTAWA (Staff) — Serious criticism of the government's methods of collecting the savings of the Canadian public is implied by Watson Sellar, the auditor-general, in his 1958 report to Parliament.

He deals with Canada Savings Bonds and the P.O. Savings Bank.

An issue of Canada Savings Bonds, he says, has been made every year since 1946 "regardless of cash needs of the government."

Until the end of the last fiscal year, CSB issues totaled about $7 billion.

But only about $2.25 billion were still outstanding on March 31 last.

About $1.2 billion of that outstanding total consisted of the latest annual issue—that of 1957.

Costs of floating these bonds over the period were about $67 million.

In addition the government was paying interest as long as CSBs were still held by the public; and the Bank of Canada was absorbing an unspecified cost for handling redemptions.

The 1946 campaign, says Mr. Sellar, yielded $535 million and cost $4.5 million.

But 10 years later, in 1956, **only about $57 million of that issue was still outstanding.**

The 1956 issue attracted subscriptions of $834 million. But more than half of it (56%) was redeemed within 18 months. Cost of selling the $834 million came to $8.6 million.

Operations of the P.O. Savings Banks gave them total deposits of $35 million at the end of the last fiscal year. But this was a reduction of $4 million over the last five years and of about $1 million in the last year.

The P.O. Savings Bank pays interest of 2½%.

But Mr. Sellar quotes departmental officials as saying that, when administrative costs are added, their real cost to the government is more like 3.4%.

The auditor - general concludes: "These savings schemes represent policy decisions. Therefore the statistics are inserted simply to describe the current situation."

Record of Financing

Dominion Government, Offerings of Corporations and Securities.

DOMINION

Government of Canada Treasury Bills — Due Apr. 24, 1959, $135,000,000. Issued Jan. 23, 1959. Sold at $99.145 to yield 3.46%.

PROVINCIAL

Province of Saskatchewan — 5% sinking fund debentures, to mature Mar. 1, 1979, $3,000,000. Dated Mar. 1, 1959. Offered at $96.875 and accrued interest to yield about 5.25% by Dominion Securities Corpn. Ltd., Wood, Gundy & Co. Ltd., A. E. Ames & Co. Ltd. and Houston, Willoughby & Co. Ltd.

MUNICIPAL

District of Lunenberg, N.S. — 5¼% debentures, due Feb. 1, 1960-79, $390,000. Issued Jan. 14, 1959. Sold at $99.179 to Dominion Securities Corpn. Ltd., Bank of Montreal and W. C. Pitfield & Co. Ltd.

Town of Beaconsfield, Que. — 5% and 5½% debentures, due Feb. 1, 1960-69, $252,500. Issued Jan. 19, 1959. Sold at $97.627 to Dawson, Hannaford Ltd.

Waterloo Township, Ont. — 5½% debentures, due Dec. 31, 1959-78, $83,000. Issued Jan. 19, 1959. Sold at $96.33 to Nesbitt, Thomson & Co. Ltd.

City of North Bay, Ont. — 5¼% debentures, due Feb. 2, 1960-69-79, $1,315,000. Issued Jan. 19, 1959. Sold at $99.16 to Wood, Gundy & Co. Ltd., Gairdner & Co. Ltd. and Royal Bank of Canada.

Township of Thorold, Ont. — 5½%, 5¾% and 6% debentures, due June 16, 1959-78, Nov. 1, 1959-67, Nov. 15, 1959-68 and Dec. 15, 1959-68, $130,161. Issued Jan. 19, 1959. Sold at $100.778 Anderson & Co. Ltd., Equitable Securities Canada Ltd. and Imperial Bank of Canada.

City of St. Thomas, Ont. — 5½% debentures, due Feb. 15, 1960-79, $410,345. Issued Jan. 19, 1959. Sold at $100.88 to Nesbitt, Thomson & Co. Ltd. and Imperial Bank of Canada.

Town of Acton Vale, Que. — 4½%, 5% and 5½% debentures, due Feb. 1, 1960-69-71-74, $210,500. Issued Jan. 20, 1959. Sold at $96.014 to Credit Quebec, Inc.

Township of Crowland, Ont. — 5% and 5½% debentures, due Dec. 1, 1959-68 and Jan. 1, 1969-79, $464,767. Issued Jan. 20, 1959. Sold at 95.59 to Mills, Spence & Co. Ltd.

Town of New Glasgow, N.S. — 5% debentures, due Feb. 1, 1960-70, $208,000. Issued Jan. 21, 1959. Sold at $98.07 to F. J. Brennan & Co. Ltd., Bank of Nova Scotia and A. E. Ames & Co. Ltd.

PREFERRED

Union Gas Company of Canada, Ltd. — 5½% cumulative redeemable preference shares, series "A" (par value $50.00 per share), $8,500,000 (170,000 shares). Offered at $50.00 per share by A. E. Ames & Co. Ltd., Dominion Securities Corpn. Ltd., Wood, Gundy & Co. Ltd., McLeod, Young, Weir & Co. Ltd., Midland Securities Corpn. Ltd. and James Richardson & Sons.

CAPITAL

Aluminium Limited — 452,155 shares capital stock (without nominal or par value). Offered at $30.50 per share by The First Boston Corporation.

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Business in force over 3 billion 558 million dollars.

More new life insurance protection was arranged in 1958 with Canada Life, than during any year since the Company was established in 1847.

EXTRACTS FROM OUR 112TH ANNUAL REPORT

	1958	1957
Paid to Policyholders and Beneficiaries	$ 46,327,000	$ 42,577,000
New Business		
Life Insurance $443,568,000		
Annuities 40,407,000	483,975,000	441,284,000
Business in Force		
Life Insurance $3,028,186,000		
Annuities 530,701,000	3,558,887,000	3,119,170,000
Assets	638,286,000	592,216,000
Unassigned Surplus	30,106,000	25,141,000
Net Interest Earned	4.76%	4.66%

Canada Life policyholders and beneficiaries received over $46 million in benefit payments during the year involving:

284,000 policy dividend allotments. 4,000 death claims.

53,000 accident and sickness claims. 115,000 annuity payments.

13,000 policies matured as endowments or by surrender.

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Beaver Club

The new purchase of this investment club
INTERPROVINCIAL PIPE LINE

Here is the monthly report by the fund manager to the members of the Beaver Club on the fund's operation:

Since our last report we have completed two transactions. On Jan. 30 we sold five shares of **United Fuel Investments B** at $48 and the same day we purchased 10 shares of **Interprovincial Pipe Line** at $55 to yield 3.27%. We now have 25 shares of Interprovincial Pipe Line at an average cost of $37.90.

We originally purchased United Fuel shares at $38 in July 1956. Since then the company has virtually completed the conversion of its franchise area (Hamilton and environs) to natural gas.

Although the long-term outlook is still favorable, we feel that the stock is relatively less attractive than other situations, such as Interprovincial Pipe Line.

The U.F. dividend of $1 was a yield of only 2.08% at the current market price. Earnings per Class B share were 91c for last fiscal year, down from $2.68 when we bought the stock. During the period ahead when the company is building up its market the outlook for earnings is most unsatisfactory. Per share earnings on the B shares have been estimated as follows:

1959 — $0.95 (deficit)
1960 — $0.24 (deficit)
1961 — $1.06
1962 — $2.00

The Beaver Club is a typical operating investment club. It has 20 members. Its stock purchases and sales are decided by a professional investor.

Stocks bought for the Beaver Club are not necessarily suitable for all investment clubs. Beaver Club members are nearly all young and their incomes are quite substantial. They can afford to take risks of loss which are inappropriate for some clubs.

The Beaver Club policy is quite definitely an aggressive search for attractive longer-term growth investments. —The Editor

Beaver Club Monthly Statement

AS AT JAN. 31, 1959

To Jan. 31 each original Beaver Club member had contributed $400. This interest in the fund was worth $525 at Jan. 31.

	No. of Shares	Av. Cost Per Share $	Market Per Share $	Total Current Value $
Abitibi Power & Paper	15	31.75	39½	592.50
Algom Uranium warrants	35	9.07	4.85	169.75
British American Oil	10	38.00	43⅝	436.25
British Columbia Power	25	37.30	38⅛	953.13
Bailey Selburn Oil & Gas 5% convertible preferred	5	30.00	24⅞	124.38
Canadian Bank of Commerce	20	45.23	55⅞	1,117.50
Canadian Breweries	5	33.13	38¼	191.25
Canadian Hydrocarbons	25	10.08	8½	212.50
Dominion Tar & Chemical	25	8.87	14¾	368.75
Interprovincial Pipe Line	25	37.90	55	1,375.00
Loblaw Companies "B"	25	25.10	38	950.00
MacMillan & Bloedel	10	27	41½	415.00
Moore Corp.	5	49.00	92¾	463.75
Pacific Petroleums	10	18.25	17⅛	171.25
Quebec Natural Gas	10	20.00	21⅛	211.25
Salada-Shirriff-Horsey	15	10.50	35½	532.50
Steel Co. of Canada	5	56.05	72½	362.50
G Tamblyn	10	24	29	290.00
Trans-Canada Pipe Lines —Debentures	2	100.00	93¼	186.50
—Shares	10	10.00	29½	295.00
John Wood Industries "A"	25	28.70	26	650.00
				10,068.76
Deduct debit with broker				238.03
Net asset value				9,830.73
Total contributions to date				7,532.67
Net asset value per dollar invested				1.31
No. of Beaver shares outstanding Dec. 31			557.839	
No. of shares purchased Jan. 1 (20 x .615)			12.300	
No. of shares outstanding Jan. 31			570.139	
Net asset value per Beaver share			$17.24	
Feb. 1 payment will purchase			.58 shares	

Although there is substantial equity value behind these shares, the prospects of an increased pay-out to the shareholders is too remote to give the stock much appeal at today's price.

The Interprovincial Pipe Line story is quite a different one.

Here is a company which is showing a good increase in per share earnings and which has increased its dividends every year since 1953 to the recently established $1.80 rate.

The currently published 1958 figures show per share earnings at $2.51, up from $1.89 in 1957.

With the demand for Western Canada crude moving back to previous record levels, there is good reason to assume that 1959 throughput will be well above 1958 and earnings should again show a healthy increase.

With such a pattern we would expect the record of dividend increases to continue.

If an oil pipeline is to be extended to Montreal, there is a good chance it will be done by adding to the Interprovincial system.

This would be a most exciting development for the shareholders and although there is much opposition from some of the larger oil companies, the possibility of this project seems to be increasing.

The change in the tax treatment of crude oil by the Venezuelan government will add considerably to the cost of this crude which has been a major source of supply to the Montreal refineries. This strengthens the argument for a pipeline to Montreal.

Although fear of the impact of the Borden Commission still places pipeline shares under a cloud, it now looks as though Borden recommendations, with respect to earnings restrictions based on equity values, will not be implemented. If this is the case, Interprovincial shares could sell at levels well above today's price.

The Beaver Fund's **Algom Uranium** warrants expire on March 2. Our present intention is to exercise them for Algom shares at $11 toward the end of February.

The Fund's dividend and interest income for January was $44 which is considerably in excess of the amount received in any previous month.

Our statement this month reflects a minor adjustment in the number of club shares outstanding. An audit showed an error of two shares. This change does not affect the value in the fund or its distribution among the members.

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ANNOUNCEMENT

GEORGE S. McCORD

The election of Mr. George S. McCord to the Board of Directors of Standard Paving & Materials, Limited has been announced by Mr. J. H. Reid, President.

Mr. McCord will continue as President of S. McCord & Co. Limited, one of the largest companies in the ready-mixed concrete and builders supply business in Ontario.

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Legislature Look-Ahead

Oil Royalties and Liquor Saskatchewan's Hot Spots

From Our Own Correspondent

REGINA—Watch oil royalties and liquor laws in Saskatchewan, when the legislature meets Feb. 12.

Keep your eye on the province's finances, too.

Latest rumor here is that the government faces a $6-million deficit on current account for the fiscal year ending March 31.

This, if true, would compare with a surplus of $14 million last fiscal year.

It's known that the oil industry has been approached by the government and permitted to see some proposed legislation affecting oil royalties.

This has been the practice in the past.

The government has been inclined to listen to comment and advice on contemplated legislation.

It has leaked out that the legislation proposes to impose an overriding oil royalty of 1% on producing wells.

The argument is that oil from below road allowances in an oil field, which is estimated to amount to about 1.8% of all production, is being drained without compensation to the government, and that imposition of an extra 1% would be reasonable.

Road allowances, between fence of one property and that of adjoining land, run from 66 to 90 ft. Mineral and surface rights to land in Saskatchewan stop at the fences.

Because of this, oil drained off from under a road has escaped government levy.

The industry, it's hinted, would be willing to accept such a proposal conditionally.

The condition would be that it gets some assistance in the building of access roads.

It's suggested, however, that this extra 1% royalty might produce $1 million.

Uniform time legislation and changes in liquor laws are expected to produce some of the most interesting and heated debate in the legislature.

It was hoped that the time question would not crop up again after the last session.

But so many towns and cities in the eastern third of the province have reverted to central standard time that the whole problem has been thrown wide open for further consideration.

Whether the government will try to get uniform time accepted throughout the province or whether it will scrap the issue and the legislation remains to be seen.

No penalty for infraction of the legislation was imposed.

Liquor legislation is being drafted as a result of an extensive study made by an inter-party legislative committee which has examined the laws of four provinces and several states in the U. S.

It has suggested five new types of outlets, including mixed drinking areas and cocktail bars.

This legislation should produce some warmish debate.

There was talk during the summer that a redistribution bill might be introduced at this session.

Such a bill is needed, or will be needed before very long, due to the continued shift in population from rural into urban centres, particularly the cities.

There have been persistent rumors of a spring election, but this is discounted by experienced political observers.

Road building is sure to take a large portion of the forthcoming budget, as it has done in the past.

A large power and telephone program will again be carried out by the crown corporations concerned.

ANNOUNCEMENT

AMALGAMATED ELECTRIC SENIOR APPOINTMENT

T. C. PAYNE

Amalgamated Electric Corporation, Limited, announces the appointment of Mr. T. C. Payne, M.B.E., B.Sc. (Engineering) London, P.Eng. (Ontario), A.M.I.E.E., A.M.I.M.E., as General Sales Manager of the Company.

This appointment is part of an important reorganization program now under way.

Mr. Payne brings to the appointment extensive experience in the fields of engineering, administration and commerce, and prior to joining Amalgamated, enjoyed a distinguished career in Canada and abroad.

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In olden days, the "hot stove league" of sporting enthusiasts and *bob vivants* gathered around the stove to boast about their favourite team. The old stove, in many cases, has disappeared, but the league has grown, just as our Canada Iron "team" has grown, to serve the nation's widespread industrial needs.

The Canada Iron Group is now busy building machinery, fabricating and erecting structural steel, producing electric motors, cast iron and concrete pressure pipe—busy, too, supplying hundreds of other products for use in Canada's great expansion projects.

Yes, The Canada Iron Group has grown from a "little league" one plant operation to a truly national concern. We now have nineteen plants, plus sales offices and warehouses coast to coast *ready* to assist you with quality products and unexcelled service.

CI

Canada Iron foundries, limited

HEAD OFFICE: 921 SUN LIFE BUILDING, MONTREAL, QUE.

HOSPITALIZATION

Get Sick Abroad, Who Pays Bills?

By H. R. SUYDAM

Are you insured under a provincial hospital plan?

What happens if you are taken ill in Florida this winter or while traveling in another province?

What happens to your teenage daughter at school in Quebec if she becomes sick and has to be hospitalized?

Do you carry your basic hospital protection with you when you step outside the province in which you are insured?

The answer in most cases is yes.

For instance, bona fide residents, insured under the Ontario plan, who are hospitalized while traveling outside the province, will be taken care of, Ontario Hospital Services Commission told FP.

Reciprocal arrangements have already been made between Ontario and Manitoba, with regard to insured persons requiring hospital care while visiting the other province.

Ontario hopes to make similar arrangements with all the provinces that have adopted, or intend to adopt, hospital insurance schemes.

In addition to Ontario and Manitoba, British Columbia, Alberta, Saskatchewan and Nova Scotia already have plans in operation.

Hospital insurance will be effected by the New Brunswick government early this year.

Quebec has no immediate plans for joining the national hospital insurance scheme, but the matter is now being given serious consideration.

If you are hospitalized while traveling in the U. S. or other foreign countries, you will have to pay the full amount of the bill yourself.

(This does not apply to the United Kingdom and the "state medicine" countries of Scandinavia where free hospital services are open to all.)

However, that part of the bill — basic ward care — which would have been paid by the Commission had you been looked after in an Ontario hospital, will be refunded.

The same thing will apply to students, insured under family coverage, who are attending school outside of the province during the normal school year.

The whole question hangs on the definition of the word "resident."

People who work in Ontario, who may spend more than half of their daily life in the province, do not qualify if their homes lie on the other side of the border.

Take the thousands who live in Hull, Quebec, and who earn their living across the river in Ottawa, Ontario.

Many of these people had group hospital insurance with Ontario employers.

With the entry of the Ontario government into the basic hospital insurance field, it appeared that these employees would lose these benefits afforded them under the group coverage.

This, in fact, has not happened.

Employers in border communities, such as Ottawa, have, in nearly every case, taken out two sets of group insurance policies.

One covers the Ontario residents and does not include the basic coverage which must be taken out with the Ontario Hospital Commission.

The other applies to employees who live outside the province and includes the ward care benefits.

Both groups are covered. The only real difference is in the extra amount of paper work the insuring company must undertake to provide for the same number of insured.

However, the man who leaves his family in Montreal and comes to work in Toronto on a permanent basis will find himself classified as single when he applies for basic hospital insurance.

This is so even if prior to the taking effect of the Ontario plan his family had been protected by a group policy arranged through his Toronto employer.

In a sense, the Ontario legislation has deprived him of his former benefit.

But, as the Commission will point out, while he may be a resident, his family in Montreal are not.

The Ontario plan is for Ontario residents. He will have to move his family to Ontario or make other insurance arrangements on his own.

ANNOUNCEMENT

NEW FROST APPOINTMENT

MR. GEORGE H. G. LAYT

At a meeting of the Board of Frost Steel and Wire Company Limited held at the company's head office on January 30th, Mr. Layt was elected a director and appointed President and General Manager of the company. Mr. Layt has been associated with the steel and wire industry in Canada for over twelve years. He assumes his new duties immediately.

Sask. Power Corp. To Build 76-Mile Gas Pipeline

Saskatchewan Power Corp. is to build a 76-mile natural gas transmission line. The 10-in. line will run from Success to Rosetown.

Tenders have already been called for building of the Saskatchewan River crossing.

The line will interconnect the present northern and southern sections of the natural gas grid, allowing gas from any source to be delivered anywhere on the system.

Among other major projects to be carried out by the company, is an extension to serve Yorkton.

H-Bomb Accident: How to Handle It

You're nearer to atomic weapons than you think. What would you do if one fell near you?

MONTREAL (Staff) — The risk that an aircraft carrying a nuclear weapon will crash near you is growing.

USAF planes carry A-weapons on training flights, and they'll soon have atomic warheads on their air-to-air rockets.

What's more, it's generally understood that the RCAF's Bomarc missiles will probably carry U. S.-made nuclear warheads.

What do you do if there's an accident?

U. S. authorities (FP, March 22, 1958) stress that an A- or H-bomb won't go off unless it has been properly armed.

They say that even if a nuclear bomber slams hard into the ground, there won't be a nuclear explosion.

But there are lots of other problems.

Recently the U. S. Atomic Energy Commission prepared a full report: **"Technical Information Bulletin on Atomic Weapon Accident Hazards, Precautions and Procedures."**

It is available to all local authorities and gives a comprehensive breakdown of what to do and what not to do if "the bomb" should arrive by accident one day.

It's hardly light reading, but it implies that if people keep their heads there's no real danger of a major disaster.

The report starts out by stressing that there has never been an unintentional nuclear detonation.

However the weapon's carrier can come to grief.

If it does, the report says, there are two main risks:

Detonation of the conventional high explosives which act to set off the nuclear weapon.

These are always present in varying amounts up to "several hundred pounds."

Radiation from the plutonium which makes up the heart of the weapon.

If an aircraft suspected of carrying a nuclear weapon crashes, people nearby should evacuate the area 1,500 ft. around the site of the crash.

However, the report concedes this may not always be possible.

Every effort should be made to cool off the bomb during rescue operations.

If its temperature can be kept below 300 deg. F it should not explode. This can be done by spraying it with water.

The report warns against foam extinguishers which tend to insulate the bomb and may actually increase its inside temperature.

The conventional explosives are fairly simple to understand —they either go off or don't.

Radiation is another matter.

Plutonium in the bomb may disperse into small particles from impact, detonation or fumes from a fire, the report warns.

The chances of the plutonium actually exploding, the report says, "are so remote as to be negligible."

However the plutonium particles can be dangerous.

It is not a hazard if it remains outside the body. But inhaled or received through small cuts it can cause serious damage.

For that reason, the report warns:

Steer clear of the area, if possible.

If rescue operations must be carried out, try to work upwind of the accident. If there is a fire, stay out of the smoke.

As soon as civil defence authorities reach the scene report to them for a checkup and decontamination.

Use as much protective clothing as possible. Goggles, and any sort of mask — even a scarf across the face—will help.

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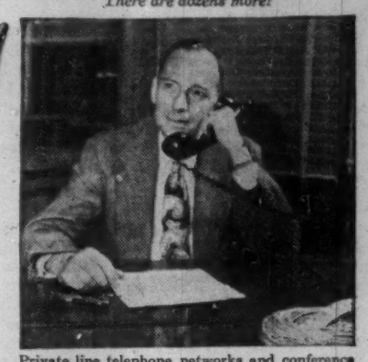

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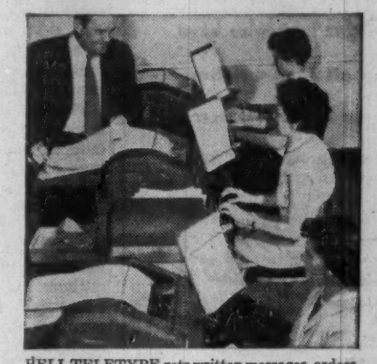

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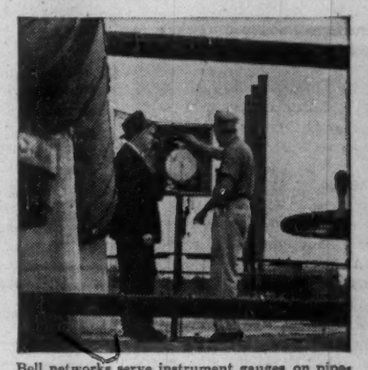

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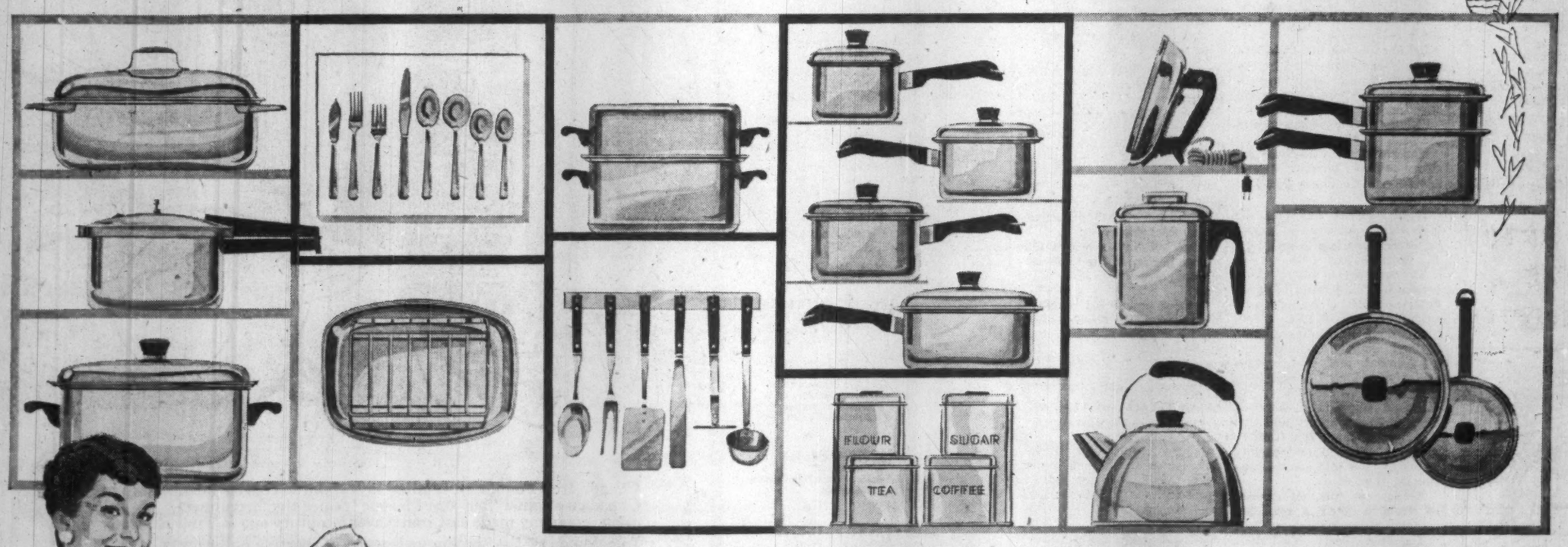

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What Will Be Canada's Role In the Defence of Europe?

An FP staff writer gives a first-hand report on NATO's problems and prospects . . .

By MICHAEL BARKWAY

PARIS (Staff) — It's a bit of a shock to revisit the Supreme Headquarters of the Allied Powers in Europe near Paris and to realize the magnitude of the defence effort still expected of Canada over here.

Until just a year or two ago, most Canadians still thought of Western Europe as Canada's most critical "front line."

The Supreme Allied Commander, Europe — successively General Eisenhower, General Ridgway, General Gruenther and now General Norstad — had the direction, as it seemed, of Canada's front-line troops.

Our hope of avoiding war was centred on NATO's ability to maintain a strong defensive posture in Europe.

Our own Air Division and Army brigade group were considered to be by long odds the Canadian troops most likely to see action.

Now we have become so preoccupied with the supposed threat of direct attack on North America that the NATO effort in Europe has been almost forgotten.

Has our perspective got distorted?

Here I have gained a more complete and balanced view of Canada's real defence interests than can be had in Ottawa just now.

The U. S. pressure for installing in Canada new radars, new missiles, new communications, a whole new ground environment for the defence of North America grew into an almost obsessive preoccupation.

Canadian readiness to accept USAF doctrines and to act on them raised many basic problems — among which the future of the Avro Arrow is merely the most immediate and dramatic.

Far-reaching changes in Canada's industrial outlook are involved.

Even the civilian economy will be tipped into closer dependence on the U. S. Controversy at home seemed both inevitable and proper.

But here, at headquarters of the Allied Powers in Europe, it is easier to get a sane, all-round view of western strategy.

And such a background makes it easier to take a balanced view of the real necessities of North American defence.

A full briefing by a very senior allied official clarified some of the immediate tasks in Europe, but more important was the clear exposition of basic strategic thinking on which plans are being based.

Here is a quick summary of this thinking, as explained to me officially and authoritatively:

- It is "most unlikely" that the USSR will go to war in face of the Western (mostly U. S.) power to retaliate.

"Most unlikely" here means "virtually inconceivable": a contingency which can be ignored in practical defence planning.

(General Norstad, a U. S. airman, has bluntly said Russia **"cannot"** make a conscious, cold-blooded decision to go to war in face of our ability to retaliate.)

- The retaliatory power of the U. S. is absolute.

Relative strength, as compared with Russia, simply does not matter.

The U. S. ability to retaliate is not canceled out by any Russian capability; it will not be any less adequate if Russia increases its capability.

Here is a direct quote:

"If our ability to retaliate is effective at all, then it is **absolutely** effective."

- War, then, will not start unless by an error of judgment — a false calculation, an individual's blunder.

- The whole purpose of the "NATO Shield" is to prevent Russia misjudging the result of any attempt at military advance in Europe.

It has to secure three things, according to General Norstad:

1. To force a pause in the progress of any armed attack: to break the continuity of the attack.

2. To compel the aggressor, in this pause, to make a conscious decision: Shall he go to war or not? In other words, to make sure he cannot just slide into war.

3. To leave him in no doubt that if he continues his local attacks he will have to face the whole massive power of the retaliatory force: that is, the absolute power, the certainty of destruction which makes it impossible for him to choose war.

If we had no "NATO Shield" we would leave ourselves in the desperate position of having to choose, whenever Russia made a minor probing move, between letting the Kremlin get away with it and launching the final, absolute atomic destruction.

Finally:

- The military authorities here at SHAPE dare to say that NATO's military strength backed up by the "absolute" retaliatory power of atomic bombers and missiles, is the basis for "the **hope** and **confidence** which are characteristic of our time."

If you look doubtful about "hope and confidence," when so many people say the characteristic of our time is fear, "the brass" answer your doubt with a challenge:

"Just think back to 1948, 1949 and 1950," they say. "Remember how the prospect looked then in every one of the 15 NATO countries — yes, in every one of them?"

Has NATO got the forces it needs?

When you hear a military leader talk about "hope and confidence," you begin to wonder whether you've at last discovered a military or naval commander who thinks he has all he needs.

Alas, no. Miracles like that don't happen.

But the statement of military needs which is now officially accepted by the NATO Council is, by long odds, the most realistic and practical ever presented to the political leaders.

It is known as "Minimum Force Needs, 1958-1963"; and it is the first time NATO has adopted a program phased over a period of years.

The old pattern was that the military authorities presented each year a statement of their needs so far removed from what the taxpayers were likely to provide that it remained somewhat academic.

This time the statement of requirements is admitted by civilian economists and politicians to be very much nearer to the attainable.

Being phased over five years, it allows for the inclusion of weapons which are still under development, but should be operational by 1963.

The military authorities, having sold their five-year program to the political leaders in December, 1957, now say:

"For the first time each government now has in front of it a written statement showing precisely what is expected of it.

"Each can now refer to this annually when it makes up its military budget."

At the regular NATO Annual Review, a few months ago, the members submitted outlines of what they expect to include in their military spending in 1959 and 1960.

SHAPE experts compared these national intentions with their own phased statements of requirements. Of course, they found a considerable gap.

They took into account, as always, what Canada is spending on North American defence.

But even allowing for this, they found us short — like most of the other members—on what they think we should be doing.

SHAPE won't yet despair about the fulfilment of its plans for 1963.

In some cases, countries cannot yet get the modern weapons they mean to use.

This is true of Canada's decision to buy U. S. "Lacrosse" missiles for the army though the decision covers only half the weapons SHAPE wants the brigade to have.

The Fiat-designed "strike fighter," which resulted from a NATO design competition open to all member countries, is not yet finally evaluated and adopted.

When it is, several European countries are committed to buying it.

Competitive designs were invited about five years ago to meet the requirements of a "strike fighter" laid down by SHAPE.

The Italian firm of Fiat, which was selected as the most suitable proposal, led a consortium embracing firms from other European countries.

No Canadian designs were submitted, because at the time both **Avro** and **Canadair** were said to be fully employed with work on hand for the Canadian government.

Atomic power in Europe

The allied military command particularly dislikes hearing the NATO forces referred to as "conventional."

They insist that a very substantial "atomic capability" already exists in Europe.

Within 12 months, they say, every member of the alliance (with the exception of Iceland) will have the equipment necessary to deliver atomic explosives. Several countries have it already.

A "stockpile" of atomic bombs has been established in Europe, directly under the control of SACEUR (General Norstad).

If "stockpile" has a glamorous sound about it, it is inappropriate, say SHAPE authorities.

All it means is a supply system; and means have been arranged to release the warheads to the allies in just the same way as to the U. S. forces, as soon as SACEUR authorizes their use.

As far as the Supreme Commander is concerned, the present political decision which keeps warheads under U. S. control is perfectly satisfactory so long as the allies have the equipment to deliver them.

(It appears differently, of course, to General de Gaulle who insists on France's right to make its own atomic weapons and do what it likes with them. Allied governments don't contest the right, but just hope he doesn't bankrupt France asserting it.)

What is asked from Canada

The biggest requirement from Canada is to re-equip the RCAF Air Division with new aircraft.

In fairness to the men of the RCAF and of the Canadian Army — let alone NATO'S military needs—adequate modern weapons must be put in the hands of the Canadian troops, who are still regarded here as the most likely to face hostile action.

Some Canadians are already speaking of a potential Hong Kong — another tragic case of Canadian troops facing the enemy with inadequate equipment.

Apart from the "Lacrosse" missile, to be obtained from the U. S. when available, it is understood that the consequential changes in equipment and logistics of the army brigade can be handled more or less in the normal routine of maintenance and replacement.

But re-equipment of the Air Division is a tall order — in terms of cost and of training and perhaps even of operational function.

What shall the new aircraft be?

Should some aircraft be replaced by missiles?

What function is the Air Division to fulfill?

Can the RCAF avoid "running two air forces" — with all the strain of maintaining two separate lines of maintenance and supply, with the need to re-train both air and ground crew each time the overseas troops are rotated?

The authoritative word given me here is that in SHAPE's view Canada need not run "two air forces."

This assertion permits only one interpretation: that the NATO military commanders would welcome Canadian squadrons equipped with long-range all-weather supersonic fighters, like the Arrow.

But no Canadian authority that I have been able to find in Ottawa or here — either civilian or military — regards the Arrow as an even remotely likely replacement for the F86E's and CF100's now being flown by the Air Division.

The present obscurity and confusion results from uncertainty about the RCAF's function in Europe.

General Norstad, as Supreme Allied Commander, Europe, has two great preoccupations about air defence.

They are broadly distinguishable as strategic and tactical.

The key to the RCAF's present equipment problem is to decide which function it should undertake.

What should RCAF do in Europe?

Look at General Norstad's two problems:

TACTICAL, or support of the "NATO Shield" of land forces.

The allied airmen know the kind of aircraft they want for this purpose. Unfortunately it does not yet exist.

They want something with vertical take-off or at least very short take-off and landing runs.

They want a "strike fighter" which they can operate from any handy cow-pasture.

They do not want to be pinned down to the elaborate, costly and space-consuming airfields necessary for high-speed modern jets — with long runways, elaborate fuel storages, hangars and machine shops.

Such fixed installations are highly vulnerable and almost impossible to conceal.

A few well-placed bombs could deprive large sections of the land forces of their vital air support.

The Fiat fighter, being built in Italy, is regarded as the best yet developed for the new requirement.

But it still leaves much to be desired in the way of runway needs.

The "strike fighter" has the same sort of role as the "fighter-bomber" of the last war.

It will carry small atomic bombs to targets a short way behind the enemy lines, seek out and bomb troop concentrations, and still be able to look after itself in encounters with enemy planes.

The U. S. forces in Germany are using two aircraft in this role — neither of them meant for it.

One is the F-84F; the other is a version of the F-86 which has been developed in precisely the opposite direction from Canada's high-performance Orenda-powered Mark VI.

The version used as a "strike fighter" has been fitted with extra heavy wings and special controls so that it can operate at low levels with bombs.

The RCAF at present has no aircraft considered suitable for such use.

- **STRATEGIC, or air defence of Western Europe behind the fighting front.**

SHAPE's effective responsibility for air defence of Western Europe is only two years old.

Before that each national government was responsible for looking after itself. SHAPE covered only the "front-line area," which meant West Germany.

Up to the end of 1955 each country had different kinds of radar and interceptors; communications between them were non-existent; and many of the defences were manned only for the period of a regular working day — eight hours out of the 24.

In March 1957, the 15 governments agreed to give SHAPE

(Continued on page 32)

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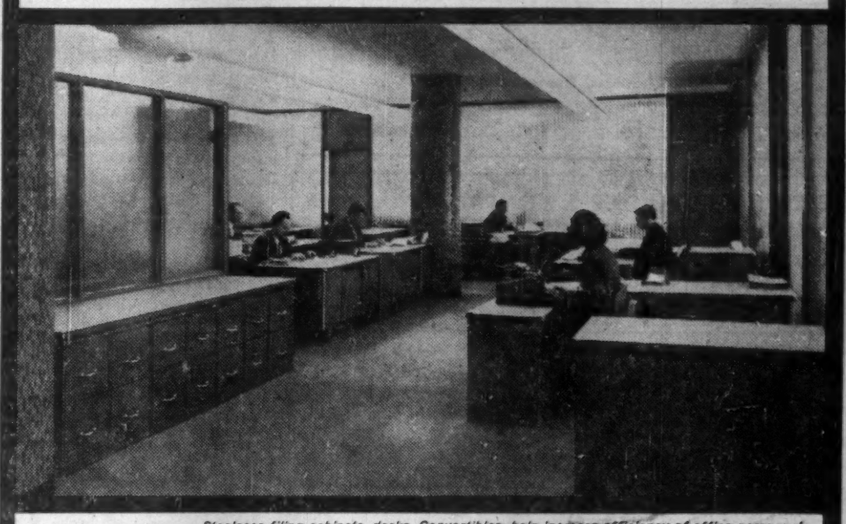

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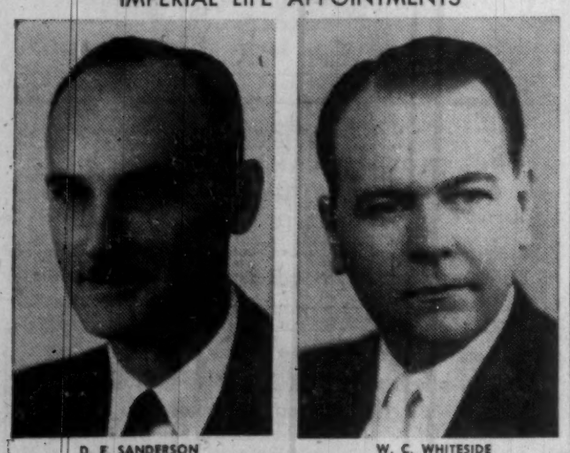

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The Imperial Life Assurance Company of Canada announces the appointment of two officers. D. E. Sanderson has been named Underwriting Officer, and W. C. Whiteside, Group Superintendent.

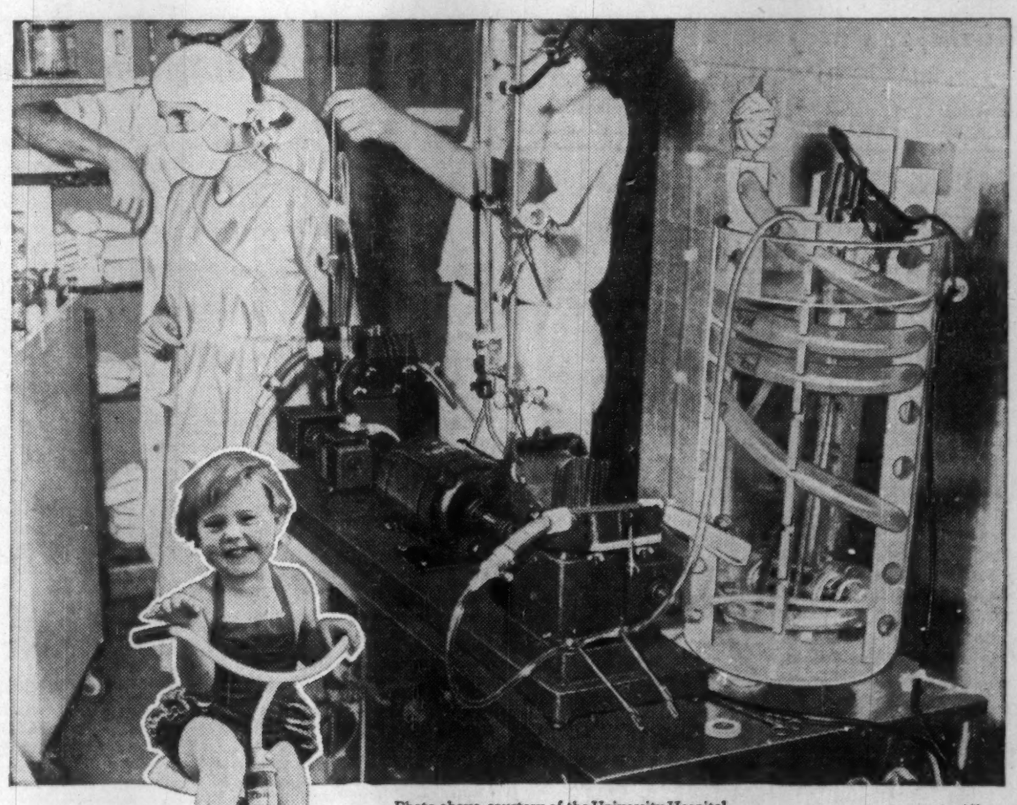

Photo above, courtesy of the University Hospital, Edmonton, shows the Heart Pump in use during Sherry Anderson's operation. Photo at left shows Sherry . . . 2 years after her operation.

How research saved Sherry Anderson's life

SHERRY ANDERSON was born a "blue baby". She had four defects in her heart which robbed her blood of the oxygen it needed. Her parents knew about the "blue baby" operation, but they also knew it had not always been beneficial.

Sherry was particularly fortunate because medical research had just developed a very efficient Heart Pump. This "pump" actually does the work of the heart during an operation, allowing surgeons time to make complete repairs.

Medical research is also striving to discover the various *causes* of heart disease, with the ultimate hope of *preventing* it. This valuable work is being correlated and stimulated by the National Heart Foundation of Canada.

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What Will be Canada's Role In the Defence of Europe?

(CONTINUED FROM P. 31)

responsibility for the early warning radars, communications systems and common air defence.

Finance now comes from a common fund contributed by all the governments in agreed proportions.

Today NATO is getting to work on a new radar plan, which will advance the early warning of attack a good way into Russian-held territory.

It plans to bridge the remaining gap across the North Atlantic, so that the European early warning system will join up with the North American system — including Canada's DEW line and Mid-Canada line.

The communications system is already far advanced.

From headquarters here, Ops. Officers can call Oslo instantaneously. To the northernmost base at the top of Norway, the connection takes 35 seconds.

To NORAD at Colorado Springs, it may take two minutes to get through. That, say the commanders, is far too long; it is being improved.

Airfields available for use by NATO's defensive forces now number some 400 — half being NATO-built and controlled, the others under national control.

A system of pipelines is in operation to carry fuel to the bases.

Bomarc, the ground-to-air missile which Canada accepted last fall, is now being introduced into Western Europe.

It will not have the elaborate guidance system based on SAGE computers, which we are to install. But it can be operated effectively with much simpler devices for guidance.

(These simpler and cheaper devices, incidentally, would have been quite suitable for Canadian use—if only we didn't have to fit into the U. S. system, where it is felt that traffic density demands the great capacity of the SAGE computers.)

Europe needs an all-weather fighter.

Europe needs an all-weather fighter

With all this, air forces in Europe, as in North America, also insist on having manned interceptors.

It is easy to see how Canada's Arrow could fit in, and make a powerful contribution to Western European air defence.

None of this — I should emphasize — was spelled out by the allied military authorities here.

They were very careful to avoid saying anything about the employment of the Arrow, and to steer completely clear of current Canadian controversy about it.

But the reasoning put together here makes a wholly logical case in support of the statement that Canada **need** not support an Air Division in Europe differently equipped from the home defence squadrons.

General Norstad, anyway, is not telling Canada what to do: though he and his headquarters won't meekly accept anything we send.

Proposal awaited fromCanada:

The present stage is that SHAPE is waiting for Canada to make a proposal for re-equipping the Air Division.

When they get it, they will discuss it and let us know whether it is an acceptable contribution to the common defence.

On present evidence, also, it is clear that General Norstad will not get a proposal from Canada as soon as he would like.

He hopes the Air Division will be raised to "the new standard" required of modern aircraft "soon."

But the Canadian government is concerned to keep a reasonably stable level of defence spending from year to year.

This means that any big project has to be phased in with other projects.

First priority goes to North American air defence; and re-equipment in Europe will have to wait till other expenditures can be reduced to make room for it.

If the Arrow is put into production at Malton for use by our home defence forces — which may not be known until near the end of March — the production run could be at least doubled by supplying the same model to the Air Division in Europe.

This would mean some reduction in unit-cost.

But some experts believe it would still be relatively expensive.

It would offer economies by eliminating the need for double-training of air and ground crews and two separate systems of supply and maintenance, but some claim these economies would look small beside the cost-reduction possible from the use of a single-engine, single-seat plane as a "strike fighter."

Present equipment in the Air Division consists of four squadrons of CF-100s, Avro's earlier model all-weather, two-seater interceptor, and eight squadrons of F-86E Sabres, Canadair-built, Orenda-powered, in their day one of the world's highest-performance fighters.

The Sabres' role is as a "counter-fighter": that's to say their job is to break up formations of enemy fighters which may be attacking our bombers or defending enemy bombers.

Need for a manned aircraft in this role is now questioned: some think it should be handed over to the missiles.

The CF100's role is the same in Europe as in Canada. It is a "strategic interceptor."

It carries a powerful radar and a guided air-to-air missile. Its job is to intercept and shoot down heavy bombers before they can reach their strategic targets.

The Arrow, CF105, is designed to do the same thing more effectively against the newer high-speed bombers.

New types, like the Arrow, depend for full effectiveness on a computer-based system of ground control which SHAPE is now trying to establish. Simpler methods than the SAGE System we know are planned for Europe. But electronic controls are essential for the Bomarc missiles now being introduced, and they would serve for modern supersonic all-weather planes too.

Some form of strategic interceptor is undoubtedly needed by the Allied High Command here. But Canada runs into two snags if it tries to provide it.

First is expense. Second, even if we did discover means to pay for it and the ground services it needs, does Canada want to take on responsibility for the defence of French, Belgian and U. K. cities?

So far, it is clear, the role of the Air Division has been within the "strategic" half of SACEUR's (General Norstad's) task.

It was a vital contribution when Europe had nothing to match our squadrons. But is it our permanent task?

Both in practice and in principle it can be argued that our job is to protect the "NATO Shield."

Ottawa will say that is what we are in Europe for — rather than the defence of European cities, which national governments might be expected to undertake themselves under SHAPE's guidance.

Besides, there is a powerful attraction in the idea of adopting a smaller "strike fighter," which requires only one engine and one man.

Decisions about the kind of fighter will not be taken, presumably, until the Canadian government sees its way to including them in an early defence vote.

That will not be this year or next.

But it cannot be too soon for the multi-national officers who throng SHAPE headquarters in its temporary buildings outside Paris.

Big Thefts from Trust Firms To Spur Crack-down on 'Agents'

Theft of an estimated $300,000 in securities from the St. Catharines branch of **Premier Trust Co.** has again focused attention on problems of safeguarding securities.

Spokesmen for trust companies are unanimous in their advice to investors who use safe-deposit boxes: "Get insurance."

Basic annual premiums range from 50c to $5.25 per $1,000 protection, depending on thickness of the vault.

The theft raised another question:

Do investors run the risk of losing their investment through buying stolen securities unwittingly?

To this query, trust men respond that there isn't much to worry about.

A bearer bond, even though stolen previously, belongs to the person who has bought it in good faith.

(The original owner's problem is to recover from the thief, not from the subsequent owners.)

Registered bonds present little trouble to the purchaser, since they must be transferred through a trust company whose records would reveal any illegitimate attempt at transfer.

Then what's in it for the thief?

Not nearly as much as newspaper stories indicate. A fairly steady market in stolen securities is said to exist in the gambling underworld of the U. S., Cuba and South America.

Quotations on this market are not readily available, but buyers are believed to pay about 25% of face value for bearer bonds, and about 15% for registered bonds.

A more profitable, but also a more dangerous, way for a thief to liquidate stolen bonds is to use them as collateral for a loan from a bank.

Normally, bank branches throughout Canada and the U. S. are given the serial numbers of securities stolen in major hauls. But the thieves take a chance that bank managers won't consult the lists. Occasionally, serial numbers are too skilfully altered for detection.

Ontario Attorney - General Kelso Roberts this week promised that "agents or go-betweens" would be run out of business, through the co-operative efforts of law-enforcement agencies in Ontario and elsewhere.

He declined to say whether the agents or go-betweens referred to were individuals or organizations.

"Ramifications of this go well beyond any provincial boundary," he said, "but to the extent that solutions can be found within the boundary of Ontario, every effort will be made to find them, and with respect to the future to eliminate any possible fields that might be remunerative to any would-be criminals in relation to such fields."

The St. Catharines theft from Premier Trust Co. was the first major incident of the type since last spring's haul from **Brockville Trust & Savings Co.**, when some $3.5 million in bonds and $6 million in stock certificates were taken.

Since then, many trust companies have tightened their security systems. A marked increase has also been noted in insurance coverage among holders of safe-deposit boxes.

Loblaw Will Invade B.C. In $10 Million Supermart

From Our Own Correspondent

VANCOUVER—Three salient features of this area's newest shopping centre, a $10-million project just announced:

- **It marks the long-awaited entry of the Loblaw supermarket** chain into B. C.; Loblaw will build its biggest Canadian store in the centre.
- **Eaton's will have a three-story department store in the centre**, the company's first entry into a fully integrated shopping centre in this region.
- **The 30-acre development (total of 40 stores, parking for 2,500 cars) is Webb and Knapp (Canada) Ltd.'s** biggest construction development in this area.

Brentwood Park, as the centre will be called, will be located in Burnaby, the municipality immediately adjacent to the east of Vancouver.

Construction begins this month and completed by Christmas, 1960.

Another major tenant will be **Bank of Montreal**, and Webb and Knapp say they have already received inquiries from a number of leading national chain store organizations and local merchants.

(Indicative of growth in neighboring Burnaby, plans for a $1 million neighborhood shopping centre in which **Safeway** is expected to be a tenant, and which will locate in the same general area, will not be affected by the Webb and Knapp project.)

Total construction on the 30 acres will be 400,000 sq. ft. Eaton's will have floor space of 182,000 sq. ft., Loblaw's will have 33,000 sq. ft.

No Loblaw spokesman was available in Vancouver, but it's taken for granted that the Loblaw unit will be only the first of a series of supermarkets for the growing B. C. market.

Brentwood Park, says Webb and Knapp, will serve an area with a population in excess of 250,000. Within a decade, they anticipate this will increase to 400,000.

Strategically astride the Lougheed Highway, the centre hopes to draw customers from east Vancouver, all of Burnaby and even Vancouver's north shore (North and West Vancouver) when the new Second Narrows Bridge is completed across the harbor.

Some 300 to 400 men will be employed on construction. The Eaton's store will create 300 retailing jobs.

Webb and Knapp has spent 1½ years buying the land. Bank of Montreal and Loblaw each owned land within the 30 acres.

Webb and Knapp acquired their land, merged it with its own to create the site, and these two companies, as will Eaton's, will lease their units.

The centre will feature car parking at four levels, top-story storage rather than basement storage, completely covered pedestrian mall, a row of professional offices (doctors, dentists, etc.) on the drive-on roof, entry to all stores from car park level.

Webb and Knapp is also developing two major industrial sites in Greater Vancouver — the 640-acre Lake City Industrial Park in Burnaby, and a 300-acre site on Sea Island — where Vancouver International Airport is located.

The company is optimistic that the latter acreage will some day house aircraft manufacturing and maintenance plants.

Ontario Plans to Widen Scope For Trust Firms' Investments

First reading was given this week by the Ontario legislature to a bill broadening the investment powers of trust and loan companies.

The proposed bill would give them broadly the same investment powers as those held by insurance companies.

One change would enable trust and loan firms to buy stocks of companies which have yielded at least 4% on their book value over seven years or more. Present requirement is for a 4% yield on par value.

Another provision is that trust and loan companies might invest an amount equal to not more than 15% of their capital and surplus, in otherwise unqualified investments.

Life insurance companies may put 3% of their assets into such investments.

Year-end pressure on Ontario's auditors would be relieved by another provision, which would authorize trust and loan companies to adopt a fiscal year ending two months or less before the end of the calendar year.

It is believed Ontario is also considering legislation to broaden powers of executors, under the Ontario Succession Duties Act.

Saskatoon Gets Freight Relief 'But Not Enough'

From Our Own Correspondent

SASKATOON—Saskatoon gets a break in freight rates on steel shipped here from Hamilton, via CNR. But so does Regina.

This city is taking steps to get equalized freight rates with Regina (FP, Jan. 17); but so far nothing has been accomplished.

Last week, the CNR reduced the steel freight rate from Hamilton to Saskatoon from $2.72 to $2.34 cwt.

The rate to Regina becomes $2.12.

"The battle to equalize the rates must continue," says S. N. MacEachern, commissioner of the Saskatoon Board of Trade.

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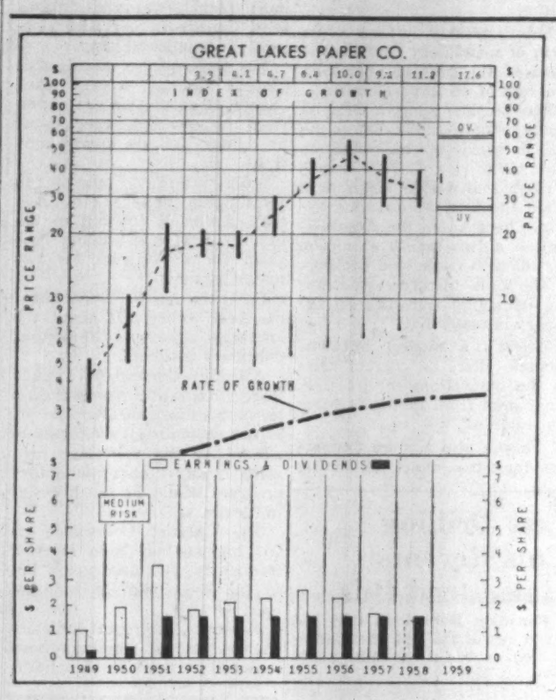
Selected Growth Stocks

— Quarterly Report —

By NESTOR

This is an exclusive FP series on Selected Growth Stocks chosen by one of the continent's most prominent and successful investment advisers. Each company will be reviewed here quarterly. This series in FP does not constitute a recommendation to buy these stocks.



Great Lakes Paper

Earnings in 1958 may be close to 1957 level . . .

Great Lakes Paper, at recent market price of $39¾, is 47.2% above UV level ($27), could rise 40.9% before reaching OV level ($56). Price is about 25 times FP's estimate of 1958 earnings of $1.60 per share. Yield is 4.02% at indicated annual dividend rate of $1.60 per share. Price in 1958-59 has ranged between a high of $40, a low of $27½.

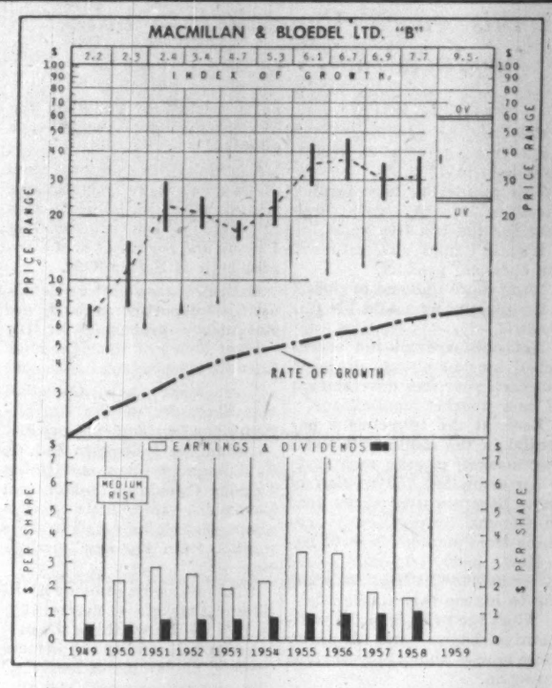
On the basis of current conditions (and pending 1958 earnings disclosures) Nestor has revised the company's growth rating. He estimates that the rate at which the equity behind the common stock is doubling has slowed from 11.2 years to 17.6 years.

In the six-year period 1951-57, equity per common share has climbed from $9.47 to $14.51.

While the results of 1958 operations are not expected to be published until April, FP estimates that earnings may not have been far short of 1957's $1.63 per share. Although total for the first nine months was $1.14 compared with $1.30, the third and fourth quarters of 1958 include the operations of the company's No. 4 newsprint machine, which went into operation in July. (Third quarter net was 49c per share vs. 41c a year earlier.)

Demand for pulp and paper products began to strengthen in the last three months of 1958, the only period in which shipments from Canadian mills were ahead of the corresponding months of 1957. In December, the gain was 4.9%. This was achieved despite the drop in demand due to New York's newspaper strike, which lowered Canadian production to 79% of capacity.

Great Lakes Paper has been in a particularly advantageous position since its major U. S. markets are in the mid-western states, not in New York.



MacMillan & Bloedel

Makes sharp recovery in first quarter . . .

MacMillan & Bloedel B, at recent market price of $41½, is 72.9% above UV level ($24), could rise 39.7% before reaching OV level ($58). Price is 27.1 times 1958 earnings of $1.53 per share. Yield is 2.89% at indicated annual dividend rate of $1.20 per share. Price is at a high for 1959 having climbed from a low of $23⅝.

In the light of operating results for fiscal 1958, Nestor has revised the company's growth rating. The rate at which he estimates the value of the equity behind the common stock is doubling has been increased to 9.5 years from 7.7 years. In the seven-year period 1951-58, equity per common share of MacMillan & Bloedel has increased from $13.78 to $26.36.

Company's earnings for fiscal 1958 (year ended Sept. 30) amounted to $8,109,327 or $1.53 per share, a drop of 20.7% on the previous year's $10,223,749 or $1.93 per share. Sales totaled $160.5 million compared with $169.3 million. The ratio of profit (after taxes) to sales dropped from 6% to 5%.

Earnings for the three months ended Dec. 31, 1958 (first quarter of current fiscal year) amounted to $3,629,280. This was more than three times the $1,158,171 earned a year ago and 10.7% more than the first quarter of 1957's fiscal year. Earnings were equivalent to 68c per share compared with 22c. The sharp increase is attributed to the fact that the pulp and paper strike began in the middle of 1957's first quarter and continued into the second quarter.

Reporting on first quarter results Ralph M. Shaw, president, stated that the volume of shipments was higher than a year ago (sales totaled $47.6 million vs. $33.9 million) but prices generally were lower.

How to Read Nestor's Special Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high low and mean price Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS. Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjusted as underestimating or overestimating its future rate of growth. A stock showing a fast growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV or OV levels a current quotation of, say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figures in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in FP, Jan. 10, 1948. A limited number of reprints are available on request.*

Legislature Look-Ahead

Hospitalization and Jobless Hot Topics in N. B. House

From Our Own Correspondent

FREDERICTON—New Brunswick's Hospital Insurance Plan and unemployment are expected to spearhead the Liberal opposition's attack on the government at the 1959 session of the Legislature.

Leading his first opposition in the House, L. J. Robichaud, 33-year-old Kent County Acadian, has already declared his party's opposition to the Flemming administration's premium plan for financing the new hospital scheme.

And he has publicly announced the Liberal stand for financing the province's share of the cost of the plan out of provincial revenues.

In all probability the newly-elected N. B. Liberal leader will claim the government's winter-work program aimed at easing unemployment does not go far enough to relieve the current situation.

Some political observers are also speculating as to whether or not Mr. Robichaud will line up his followers in the House behind a Young Liberal Association demand for amending the province's 30-year-old Liquor Control Act.

For the most part, the third session of New Brunswick's 43rd Legislature, which opens here Feb. 12, is expected to be routine, with little, if any, major public legislation being introduced. Premier Hugh John Flemming's administration will probably "stand pat" on its past record.

The government is almost certain to bring down legislation covering its share of the cost of construction of the $1-million International Bridge connecting Campobello Island with Lubec, Maine.

And it may table an interim report of the E. C. Atkinson special commission on base-metal mining in the province.

The province's tax structure is being maintained at its present level, with no new taxes anticipated.

And provincial revenues and expenditures are expected to run to about the same as last year.

For the 1958-59 fiscal year ending March 31 next, Provincial Secretary-Treasurer D. D. Patterson budgeted for a record $91,424,000 gross to meet total government expenditures for both revenue and capital account budgets. (FP, April 12, 1958.)

Present party standings: Progressive Conservatives 34, Liberals 13, one Independent Liberal and four vacancies; three PC and one Liberal.

The Tory vacancies are in Moncton City, York and Charlotte counties and the Liberal in Westmorland County.

Premier Flemming and his Tory party was re-elected to a second term in the 1956 provincial general election by a 37-15 majority.

It's a "safe bet" there will be no provincial general election before the summer of 1960.

The government could go until the spring of 1961, as the life of the Legislature does not legally expire until July of that year.

However, there's an outside possibility that as a test of strength the government might open the vacant seats through by-elections before the next general election is called.

Since the last session there have been three cabinet changes.

• **J. Stewart Brooks** was appointed Municipal Affairs Minister to succeed the late T. Babbitt Parlee, killed in an aeroplane accident.

• **Later Mr. Brooks and Premier Flemming,** who held the Public Works portfolio along with the premiership, switched portfolios.

The switch was made to relieve the premier of the heavy Public Works portfolio.

• **In the third change, R. G. L. Fairweather was appointed Attorney-General.**

He succeeded Justice W. J. West, who resigned as Attorney-General to accept a seat on the N. B. Supreme Court bench.

The opening Feb. 12 will be the first for newly-appointed Lieutenant-Governor J. L. O'Brien.

He succeeded Hon. D. L. MacLaren last fall.

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Peppy 'Poly' Gaining Again

Polyethylene sales to spurt 20% this year, elbowing into other products too . . .

By W. L. DACK

Polyethylene producers have set their sights on a 20%-25% sales gain in 1959.

This plastic has been forging ahead at 20%-40% gains each year for the last five years.

It's still Canada's fastest moving chemical product.

"And there's no end in sight," a top plastics man told FP this week.

Not only are all the established market outlets growing, but each year sees development of new market applications.

Look at the tremendous potential in the multi-wall paper bag market, plastics men say.

An estimated 250 million of these bags are used every year in Canada to package everything from potatoes to fertilizer.

Now heavy 10-mil gauge polyethylene film bags are starting to invade this market.

When the price is in the competitive range — and it's pretty close now — watch polyethylene go again.

Who could have foreseen the potential of the Hula Hoop market last year?

This was a tremendous boon to the manufacturers of the newest type polyethylene — the high density grades.

Faced with developing new outlets particularly suited to the stiffer, higher heat resistant product, they were able to channel a good part of the initial output into hula hoops.

Meanwhile, development experts worked overtime on the more promising, permanent type markets.

Canada's first two producers of this new type polyethylene will come into initial production this year — **Dow Chemical of Canada** and **Du Pont Co. of Canada,** both at Sarnia, Ont.

Both firms have set up development departments and are strenuously preparing for the market debut of their products later this year.

The other two Canadian manufacturers of the conventional (or low density) product — **Canadian Industries Ltd.** at its Edmonton plant and **Union Carbide Canada** at its Montreal East plant—show little concern about possible inroads into their market from the new production.

"There will be some overlapping of markets — maybe 12% to 15% — but we think the new product will tend to supplement present polyethylene markets," one plastics man said recently.

Actually Canadian market for polyethylene resins skyrocketed to a 45-million-lb. level in 1958.

That's a whopping 100% jump from 1956 market of 22 million lb.

Plastics men are now forecasting a gain this year to around 55 million lb.

The two Canadian manufacturers — meeting some 75%-80% of total domestic demand— are shipping about as much overseas to export outlets in Japan, Europe, South America.

Both companies will have expanded their capacities by year end to about 40 million lb. annually (Union Carbide Canada) and 44 million lb. (C-I-L).

At the same time, number of film makers is expanding each year.

Five more entered the field in 1958 in this country bringing total to 15.

Packaging continues the No. 1 volume market for polyethylene and big use here is in film.

Not only is this increasing every year, but the rate of gain is growing.

Wire and cable industry is the second largest outlet.

Although wire and cable production itself was off somewhat in 1958, actual use of polyethylene in coatings increased because of the continuing swing away from other traditional covering materials.

The injection molding market, which encompasses a wide range of housewares and toys, is the third largest market.

A trend here: Ever larger kitchen wares and toys.

The pipe field is still growing although application has pretty well settled down to cold-water, low-pressure systems.

The advent of the high density, high heat resistant types might expand the polyethylene market in this field.

Polymer to Spend $6.6 Million

The 1959 capital budget of **Polymer Corp.**—Canada's crown-owned synthetic rubber producer—provides for expenditures of $6.6 million.

Some $4.2 million is for capital items related to improving plant efficiency and product quality, providing increased operating flexibility and reducing operating costs.

Also included: Extension of employee facilities and continuation of the program of waste disposal systems.

This amount also makes provision for the beginning of a butadiene plant in Western Canada.

The remaining $2.4 million is allocated to projects already under way, and is providing winter employment for about 150 construction workers in Sarnia.

The new pilot plant for work on new polymers based on stereo-specific catalysts and the new warehouse facilities which had been previously announced are included in this section of the budget.

Watch U.S. Oil Clamps Get Tougher Not Softer

By C. KNOWLTON NASH

WASHINGTON, D.C. — Best informed guess in Washington is that there will be tougher oil import restrictions in the near future.

This probably means some form of mandatory controls instead of the present voluntary program of oil import curbs.

The president has a delayed deadline of Feb. 28 before he has to make up his mind on what to do.

Unable to decide last month when the Dec. 31 deadline arrived, he granted the Administration a two month extension in which to come to a decision.

The U. S. import restrictions are damaging Canada's oil industry in two ways.

- **There's a modest but immediate effect** on current sales as the restrictions inhibit U. S. companies from taking in more Canadian oil.
- **There's also a more dangerous long run effect** which has been restricting exploration and development of the Canadian oil industry.

Ottawa has complained repeatedly about the restrictions, most recently at the Ottawa joint Canada-U. S. Cabinet-level Economic Meeting.

The feeling here now is that Canada has only a very small chance of getting an exemption from the new and expected-to-be tighter U. S. oil import controls.

Most informed opinion in Washington believes the Administration is leaning to the imposition of a mandatory program for oil imports for two major reasons:

- **First, the Justice Department** has been concerned about the anti trust aspects of the present voluntary program.

Attorney-General William Rogers has sent a memorandum to the president on this subject.

- **And secondly, it's difficult to administer** the voluntary program; many feel a mandatory program would be much easier to handle.

The Cabinet Committee on Oil Imports has been meeting frequently this past week but so far has come up with no hard decision.

However, one report indicates the committee members have frowned on the idea of handing out oil import quotas by country of origin.

Canada might have been able to get some form of an exemption under such a system.

Representatives of 12 sectional independent oil and gas producers' associations came to Washington this past week to demand that mandatory controls be adopted "without further delay" on oil imports.

In addition, the president of the Independent Petroleum Association of America. Gordon Simpson, says he understands a mandatory program will be approved.

Less Drilling Cuts Revenue Homestead Oils

Canadian Homestead Oils had a net loss of $257,366 after depreciation, in the six months ended Nov. 30, 1958.

Gross income was down 19% at $888,421 compared with the $1,113,036 in the previous year.

Major drop in the revenue came from lower contract drilling revenue which dropped 45% to $612,-154.

Despite the slowdown in the oil industry the company managed to boost petroleum sales by some 10%.

Some 22 wells were drilled of which 12 were completed as oil producers.

In the Pembina field a total of 800 acres were picked up on which five of the ten wells permitted have been completed.

Similar development program is planned on acreage acquired in the Joarcam field of Alberta. Three wells have been completed.

Defence Contracts

Contracts totaling $5,201,122 were placed with Canadian firms during the first half of December, 1958, by the Department of Defence Production and Defence Construction (1951) Ltd.

Bristol Aero Engines Ltd. Montreal, received the largest contract —$1,427,000 for the overhaul of aero engines. Other large contracts were placed with **Avro Aircraft Ltd.,** Toronto, for airframe components ($500,000), **Sperry Gyroscope Co.,** Montreal, for radar equipment ($395,000) and **Klassen Construction Ltd.,** Vancouver, for the construction of a junior ranks' club at Chilliwack, B. C. ($240,640).

Contracts classified for security reasons are not included in this list.

Contractor	Commodity	Value
Admiral Sanitation Ltd., Scarborough, Ont., cleaning materials		$ 15,096
Ahearn & Soper Co., Ottawa, antennae		16,910
Aluminum Co., Ottawa, aluminum sheets		16,197
Ampex American Corp., Ottawa, tape recorders		130,632
Aviation Electric Ltd., Montreal, aircraft spares, services		36,531
Avro Aircraft Ltd., Toronto, airframe components		500,000
John Bertram & Sons Co., Montreal, measuring and milling machines		35,502
Bristol Aero Engines Ltd., Montreal, overhaul of aero engines		1,427,000
Burgess Battery Co., Niagara Falls, Ont., batteries		18,500
Maise Cadarette Inc., St. Jean Des Piles, Que., whalers		33,650
Canada Packers Ltd., Halifax, N.S., meat		26,180
Cdn. Admiral Corp., Port Credit, Ont., electronic test equipment		39,887
Cdn. Aviation Electronics Ltd., Montreal, spares for flight simulators		10,128
Cdn. Clark Ltd., St. Thomas, Ont., tractors		38,732
Cdn. Converters' Co., Montreal, clothing		68,634
Cdn. Pratt & Whitney Co., Montreal, overhaul of aero engines		110,000
Coastal Asphalt Prod., Saint John, N.B., calcium chloride		11,718
Computing Devices Ltd., Ottawa, aircraft navigational equipment		50,924
Cosa Corp., Toronto, jig boring machine		19,101
Dunlop Canada Ltd., Toronto, tile		10,934
Duralite Mfg. Co., Port Credit, Ont., furniture		22,139
Electric & Gas Welding Co., Montreal, refuelling equipment		12,075
Enamel & Heating Prod., N.S., airframe components		100,000
E.P. Electric Products Co., Montreal, telecommunication cable		13,993
Ertel of Canada Ltd., Montreal, technical publications		13,600
Ferranti-Packard Electric Ltd., Toronto, aircraft instruments		28,344
Field Aviation Co., Ottawa, parachute accessories		32,525
Kennebec Mills, St. Louis De Pintendre, Que., clothing		62,328
Mallory Battery Co., Toronto, batteries		19,125
Marsland Eng. Ltd., Kitchener, Ont., technical services		10,000
Mercedes-Benz Ltd., Toronto, tractors		106,282
Monast Excavation, Ville St. Michel, Que., snow removal		14,500
Northern Electric Co., Ottawa, telephone cable		50,214
Okanagan Helicopters Ltd., Vancouver, charter of helicopters		123,000
Peacock Brothers Ltd., Montreal, ships' machinery		71,079
Philips Electronics Ind., Toronto, electronic equipment		15,293
Ray-O-Vac Ltd., Winnipeg, batteries		19,857
Royalite Oil Co., Calgary, diesel fuel oil		16,588
St. Thomas Metal Ind., St. Thomas, Ont., automotive modification kits		51,700
Snap Mfg. Ltd., Montreal, cleaning materials		16,357
Sperry Gyroscope Co., Montreal, radar equipment		395,000
Standard Aero Engine Ltd., Winnipeg, aero engines		10,000
Stark Electronic Ltd., Ajax, Ont., signal generators		61,002
Superior Electrics Ltd., Pembroke, Ont., tool boxes		12,385
Thompson Wood Prod. Ltd., Montreal, ammunition boxes		22,945
TMC (Canada) Ltd., Ottawa, communication equipment		150,489
Truck Eng. Ltd., Woodstock, Ont., trailer conversion dollies		22,616
Unique Coats Ltd., Toronto, clothing		98,410
Victoria Mach. Depot., Victoria, docking and refitting of ship		74,000
W. Gary Wright Ltd., Whitby, Ont., radio crystals		10,000

Defence Construction (1951) Ltd.

Contractor	Work	Value
Arthur & Conn Ltd., Halifax, N.S., rewiring and relighting of building	Halifax, N.S.	$ 15,294
B & H Metal Industries Co., Montreal, supply and erection of structural steel for tank hangar building	Petawawa, Ont.	38,200
B & H Metal Industries Co., Montreal, supply and erection of structural steel for tank hangar building	Meaford, Ont.	41,315
Blanchet Brothers, New Westminster, B.C., interior painting	Chilliwack, B.C.	33,440
Bluebird Co., Calgary, interior painting	Camp Shilo, Man.	24,300
Bluebird Co., Calgary, interior painting	Wainwright, Alta.	24,600
L. T. Bristow Ltd., Barrie, Ont., heating system	Camp Borden, Ont.	24,230
Calgary Iron Ltd., Calgary, Alta., arctic tower	Cold Lake, Alta.	44,695
Forsyth Decorating Co., Edmonton, interior painting	Wainwright, Alta.	18,139
Helge Harvest Painting Co., Vancouver, interior painting	Vancouver	19,255
A. Jann & Co., Montreal, construction of stores	Petawawa, Ont.	152,776
Klassen Construction Ltd., Vancouver, construction of club	Chilliwack, B.C.	240,640
Northern Electric Co., Ottawa, indoor unit sub-station	Dartmouth, N.S.	35,750
Oswald Decorating Co., St. James, Man., interior painting	Winnipeg	16,944
Parfitt Construction Co., Victoria, swimming pool	Victoria	33,940
Poole Construction Co., Edmonton, power unit building	Cold Lake, Alta.	27,724
Ruliff Grass Construction Co., Thornhill, Ont., steel garage	Camp Borden, Ont.	135,778

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Stuart M. Finlayson, President and General Manager of Canadian Marconi Company, has announced that W. H. Hopkins, Assistant General Manager & Secretary, is to retire after a long and distinguished career, but will continue his association with the Company in a consulting capacity.

A. G. McCaughey is appointed Secretary-Treasurer, responsible for all financial, accounting, legal and administrative functions.

W. V. George becomes Assistant General Manager, directly responsible for the operating Divisions of the Company.

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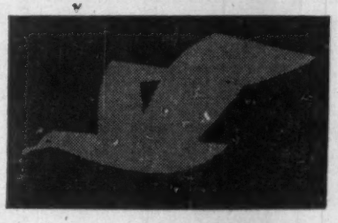

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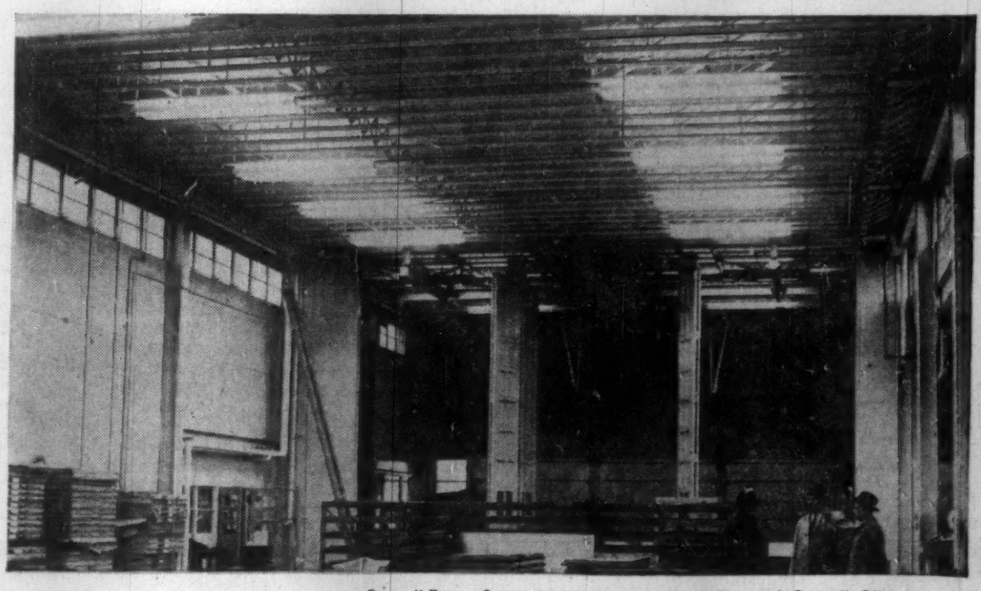

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What Makes Success

Trend-Watching, Fast Footwork Build a Business

How a coppersmith shop shifted with the trends for 106 years to become an industry . . .

By FORBES GILBERTSON

It takes fast footwork to shift with the business trends over 106 years.

But it pays off.

Trend-watching and mobility pushed **Coulter Copper & Brass Ltd.**, Toronto, from a coppersmith shop to a full-scale industry active in 20 fields.

Some examples:

● **When World War I** broke out, it became apparent that a great deal of regular coppersmithing business would be lost.

The firm volunteered to make munitions, and made large capital outlays on special equipment.

There was no guarantee as to how long it would be needed.

● **With the war's end,** management decided to get in on the ground floor of the baby automobile industry and put its munitions machinery to work turning out automotive parts.

Automotive equipment today makes up a very substantial part of the firm's output.

● **The firm kept pace** with strides in metallurgy, and was one of the first to expand into stainless steel and other alloys.

Company claimed to be the first to anodize aluminum, in 1926.

● **Coulter chalked up another first** last year when it completed Canada's first pre-fabricated aluminum swimming pool at Leaside Memorial Gardens, Toronto.

Built by Coulter's subsidiary, **Aluminum Swimming Pools of Canada Ltd.**, it is said to be the first indoor aluminum swimming pool in North America.

The 100,000-gal. pool was made from 16,000 lb. of alloy sheet and plate and 6,000 lb. of special extrusions.

Coultér sees a pool boom, and now offers a line of aluminum pools ranging in price from $2,800 to $80,000.

Coulter took a year to research the pool market, expects to develop it intensively.

● **Still moving with the trends,** the firm struck out in another direction in 1958 when it began to manufacture marine hardware.

Coulter today supplies three boat builders with hardware on an exclusive basis.

The company's products also include:

Automotive and refrigerator hardware, brewery and chemical plant equipment, welding and electroplating.

Henry Gough Booth founded the firm in St. Catharines, Ont., in 1853.

Anticipating Toronto's growth as a commercial centre, Booth soon moved his coppersmithing business there.

Brewery kettles and stills were among the big sellers then.

William Coulter began his apprenticeship with the company in 1870, became a master coppersmith under Booth's guidance, eventually struck out for himself in partnership with Septimus Campbell as **Coulter & Campbell.**

Campbell's interest was purchased by his partner's oldest son, William Charles Coulter, in 1906.

W. W. H. COULTER

In 1909, the company amalgamated with **Booth Copper Co.,** to form **Booth Coulter Copper & Brass Co.**

In 1923, the Booths sold out their interests to the Coulters and it has been in the family ever since.

William Coulter became president and his son William Charles Coulter, vice-president.

Albert E. Coulter, the second son, left the parent firm to form **Coulter Manufacturing Co.,** Oshawa, Ont., in 1931.

Today, William Walter Howard Coulter, president and general manager, directs Coulter Copper & Brass Ltd.'s varied activities.

He's also president of Aluminum Swimming Pools Canada, and vice-president, **Booth-Coulter Coppersmithing Co.,** a Montreal affiliate.

A graduate of University of Toronto in chemical engineering, Mr. Coulter has been with the firm since 1925, starting as estimating engineer.

Wooden Ships Far from Dead

Special Correspondence

LUNENBURG, N.S. — The heyday of wooden ships is long gone, but Nova Scotians still build and sail them.

The **Smith and Rhuland** yard here, builder of the great schooner Bluenose, still does an annual business volume of $600,000-$900,000.

It's the largest builder of wooden ships in the Maritimes, and a stronghold of the old skills.

The yard turns out draggers, longliners, small freighters, yachts and a variety of other craft.

There are 65 carpenters on the payroll, plus sub trades working on engines, radar, radio and other technical installations.

President is Fred Rhuland.

Last year, 18 units were built; biggest was a 65-ft. RCMP patrol boat costing $120,000.

The fishing industry provides the bulk of work both in new tonnage and ship repairs.

In 12 years this yard has launched 29 longliners, the boat that has become so popular with fishermen.

Alas! Even stout wooden ships have gone modern — and costly.

Increased use of technical equipment today absorbs up to 50% of total cost.

For instance, longliners originally cost about $20,000.

Now on the stocks is a 65-ft. longliner for Stanley Scott of Shelburne. Estimated cost is $40,000.

It will have two lorans, $2,800 **RCA** echo sounding gear which detects fish and the bottom, radar, hydraulic steering, radio telephone and a 210 hp **GM** diesel costing $9,000.

Close-grained American oak, longer lasting than Canadian oak, goes into most hulls.

A 98-ft. dragger could use up to $15,000 worth.

U. S. mills also cut exactly to required dimensions for ship's timber. Canadian mills do not have the necessary gear, and it wouldn't pay to tool up.

The shipyard could do this work, but prefers to save time and thus money.

Prices of Canadian-built ships are low enough to attract U. S. buyers, but a 35% duty on draggers wipes out any advantage.

There's a more attractive export proposition in yachts: 6½% U. S. duty on boats costing less than $15,000, 13% over $15,000.

ANNOUNCEMENT

KENWOOD MILLS APPOINTMENTS

H. SHORT — C. SPENCER — K. DUNLAP — S. HOUSTON

Kenwood Mills Limited has announced the election of Harold Short as Chairman of the Board. He will be succeeded as President by Charles Spencer, who is the senior Vice President of F. C. Huyck & Sons of Rensselaer, New York, and who has been closely associated with Kenwood Mills Limited for many years. Kirke Dunlap, for many years in charge of Manufacturing at Kenwood Mills Limited, and Stuart Houston, who has been in charge of Office Services, have been elected Vice Presidents.

Bank Staff Changes

E. L. BURT, an assistant accountant, Bagot & Brock, Kingston, Ont., to be accountant.

R. CODERRE, formerly accountant, Wellington St., Sherbrooke, Que., to be manager of the newly opened branch at Arvida, Que.

A. W. COLLINS, accountant, North Vancouver, to be manager, Lonsdale & Queens, North Vancouver.

R. A. HALL, an audit officer, head office, Toronto, to be assistant manager, Business Development Department, regional office, Winnipeg.

D. R. JOHNSTON, to be an assistant accountant, Port Credit, Ont.

E. A. MATHESON, an assistant accountant, Oakville, Ont., to be accountant, Long Branch, Ont.

Commerce:

C. A. BURY, an assistant accountant, Victoria, to be manager of the newly opened branch at Smithers, B.C.

Company Reports

Financial

ONTARIO LOAN & DEBENTURE CO., London, Ont., net profit of $438,370 for 1958 was 4.5% higher than 1957 net of $419,338.

The year showed substantial growth in all departments, President Alexander H. Jeffery reports. Increase of $3,228,447 in mortgages was the largest in company's history.

Part of the increase in earnings was due to a non-recurring cash adjustment on conversion of Victory Bonds into the Conversion Loan, and a further amount was commission and handling fees for attending to such transactions for customers.

Major portion of this has been set aside for payment of tax thereon, and to securities reserve on account of the drop in market value since the bonds were converted.

Annual meeting is Feb. 11.

	1958	1957
	$	$
Liabs. to public*	38,714,769	35,067,961
Shareholders' equity	6,106,968	5,968,598
*Secured by:		
Office premises	63,000	66,000
Mortgages	37,356,741	33,528,294
Liquid assets†	7,401,996	7,442,265
Total	44,821,737	41,036,559
†Comprises securities, loans on securities, deposits and cash.		
Net profits	438,370	419,338
Earned per share	$1.75	$1.68
Paid	1.00+a0.20	1.00+a0.15
aExtra payable in February of the year following.		

aNet profit as reported by the company is before deduction of $10,000 in 1958 and 1957 for transfer to reserve for extension of office premises; and $10,000 in 1957 for transfer to employees' benefit fund. After these deductions, net profit would be $428,370 or $1.71 per share in 1958 and $399,338 or $1.60 per share in 1957.

Farm Equipment

COCKSHUTT FARM EQUIPMENT LTD., Brantford, Ont., consolidated net profit of $137,450 for the year ended Oct. 31, 1958, was 53.3% lower than previous fiscal year's $294,417.

Lowered sales due to "adverse influences" unfavorably affected profits, Chairman C. G. Cockshutt reports. There were heavy nonrecurring expenses, he adds, such as the idle Smiths Falls and Bellevue plants whose manufacturing is now centralized in Brantford.

Sales were down 3.3% to $33,181,616, compared with previous year's $34,301,907. Volume of sales to U. S. increased 38%, but was off sharply in overseas markets.

Product development included introduction of new haying and tillage machines.

A completely new line of tractors was marketed but, due to technical delays, supply of them fell behind demand. By Oct. 31, the president says, production was running smoothly.

Mr. Cockshutt reports that subsidiary **Brantford Coach & Body** had another profitable year. Production in subsidiary's new tractor trailer assembly plant will begin early this year.

Transfer of inventory reserve of $2,250,000 was made to surplus. Inventory is being brought into a more appropriate ratio to sales, the president says.

Although overseas market conditions continue to be difficult, the chairman notes, company is well-equipped to advance its position in 1959 and has budgeted accordingly.

He anticipates continued improvement in the North American farmer's cash position.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1958	1957
	$	$
Sales	33,181,616	34,301,907
Net oper. inc.	1,940,405	2,229,135
Add: prof. sale assets	35,995	55,126
Net earnings	1,976,400	2,284,261
Less: Int.	923,341	1,067,124
Depreciation	735,609	632,720
Inc. tax res.	180,000	290,000
Net profit & surp.	137,450	294,417
Times Funded Debt Interest Earned:		
Before deprec.	2.14	2.14
After deprec.	1.34	1.55
Earnings per Share and Dividend Record:		
Common (new)	$0.13	$0.27
None paid.		
Shs. o/s at Oct. 31:		
Common, n.p.v.	1,078,010	1,07,1310

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1958	1957
Cash	$692,741	$740,072
Accts. rec. less res.	10,539,860	11,006,779
Invests.	187,000	135,000
Inventories	17,669,123	21,954,138
Total curr. assets	29,088,724	33,837,989
Invest. in sub.	21,056	21,056
Misc. assets	310,129	291,505
Fixed assets*	10,133,649	8,874,525
Total assets	39,553,558	43,025,075
Bank loans	5,023,349	6,921,523
Accts., etc., pay.	3,274,743	2,965,921
Fund. debt instal.	746,000	735,000
Total curr. liabs.	9,044,092	10,622,444
Funded debt	8,672,061	9,341,000
Conting. res.	2,500,000	2,500,000
Invent. res.	1	2,250,000
Capital stock	10,478,654	10,431,734
Capital surplus	1,304,600	1,463,176
Surplus	7,564,151	7,416,701
*After depr. of	13,102,338	12,807,026
†Transferred to surplus.		
Working capital	20,044,632	23,215,545

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77th Annual Report

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	1958	Increase
Capital and Reserve Fund	6,800,000	300,000
Net Profit after Taxes	426,876	16,483
Savings and Investment Certificates	69,357,023	11,135,608
Estates, Trusts and Agencies	471,165,061	21,965,684
Total Assets under Administration	547,688,474	33,218,143

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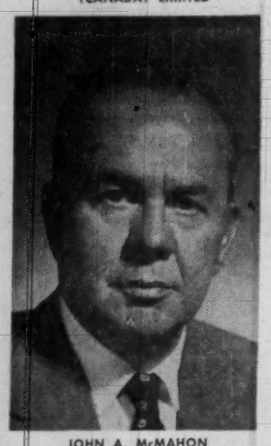

JOHN A. McMAHON

Mr. H. E. Pearson, President, is pleased to announce that Mr. John A. McMahon of Vancouver has joined the Board of Directors of Taylor, Pearson and Carson (Canada) Limited, replacing Mr. J. M. Taylor, deceased.

Mr. McMahon is President of Inland Natural Gas Co. Ltd. and Subsidiary Companies; also a Director of British Pacific Insurance Company, Western Copper Mills Ltd. and Van-Tor Oils and Explorations Limited.

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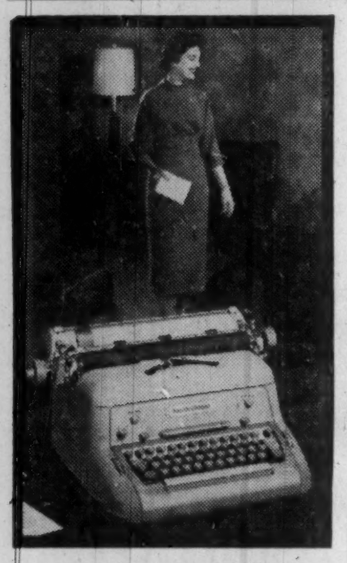

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Letter from London

It might not be a bad idea if Britain imported some road planners from Canada...

By ADELPHI

WHEN Sir Winston Churchill retired from active politics, although remaining a member of the House, he vowed that under no circumstances would he take on any more responsibilities.

But this week he broke his vow by agreeing to be the first president of the Victoria Cross Association.

The man who did the persuading was Brigadier Sir John Smyth, VC, MC, MP who looks like a rather timorous curate and speaks with a gentle voice.

Yet he won the Victoria Cross in World War I by taking on a task in cold blood with the odds of survival 1,000-to-one against.

Not content with that he fought in World War II and won the Military Cross.

In a world of changing values those magic letters "VC" retain their integrity and their unblemished glory.

Therefore it is fitting that Sir Winston Churchill should be chosen as its president.

His vaulting spirit will be talked of as long as human courage exists.

* * *

It is all to the good that the Queen Mother is to pay a visit to Rome despite the existing political troubles in sunny Italy.

Probably the Italian government will have fallen by the time the Queen Mother arrives there, but the Italians will be neither dismayed nor depressed.

They had a taste of the other thing when, under Mussolini, there was no democratic method of getting rid of government by dictatorship.

These are active days for Britain's Royal Family. There are so many dictators in the world and so few royalties that the Queen, the Queen Mother, the Duke of Edinburgh and Princess Margaret, are in steady demand.

* * *

Now let us turn to the realm of speed. The whole of U. K. was shocked and grieved when its young blond motor racing champion, Mike Hawthorn, was killed.

It might not be a bad idea if the British government imported some road planning experts from Canada.

The new Preston motorway, opened in December, has now been closed because crevices and ripples had been caused on the surface by frost.

Water, which seeped under the surface of the highway down to the foundations, turned to ice and pushed up the macadam and asphalt finish.

Success Story

Now for a success story.

The handsome, debonair Sir Hartley Shawcross, who was attorney-general in the Socialist government, and who recently visited Toronto, has been made a life peer by the prime minister's recommendation.

Everything Shawcross touches turns to gold and glory.

Not only is he handsome and elegant, but he possesses a melancholy smile which matches perfectly his rich musical voice.

As a young man he was attracted by the humanity of Socialism although he was doing very well under the existing capitalist system.

Now he has embraced capitalism in practice if not in spirit.

His income from the Shell Oil Co. and other sources must exceed £25,000 a year but by the time he pays his tax and super-tax there will not be a great deal left.

However, he will now be entitled to £3 a day attendance money at the House of Lords, providing he turns up and punches the clock, or whatever device records the attendance.

Once the British start extemporizing there is no stopping them. Not content with creating life peerages it is now decreed that peeresses in their own right, numbering about two dozen, will also be allowed to sit in the Upper House.

Well, we shall see what we shall see.

It has yet to be proved that all these innovations and alterations will add dignity and strength to the U. K. Parliament.

And the House of Commons might take it into their heads to hold up this legislation for the peeresses.

Monty is Silent

At last Field-Marshal Lord Montgomery is silent.

For weeks on end the serialization of his memoirs in the Sunday Times, plus his weekly appearance on television, engrossed the nation and helped to empty the cinemas.

Yet in his final appearance he seemed to be surprised and crushed, by President Eisenhower's failure to make any reply to two goodwill messages sent to the President by Monty.

"He is a great and good man," said Montgomery, "and I would not have hurt him for anything."

All that Montgomery said in his talks was that Eisenhower's mistakes of judgment and his failure to take Monty's advice, resulted in the prolongation of the war by six months and allowed Russia to seize the spoils of victory.

It would be interesting to know what Montgomery would regard as something really unpleasant and wounding.

Money on Mac

The stock market is understandably hesitant and apprehensive.

The golden sun of Harold Macmillan's popularity has turned to a somewhat greenish color.

There is no logical reason for this except some seasonable unemployment and the fact that Britain is in the grip of an unusually unpleasant winter with all attendant discomforts.

The chief reason is that the popular press which did so much to build up Macmillan as the **premier sans pareil** is now picturing him as a leader who is not facing reality.

Hugh Gaitskell, as leader of the Opposition, has seized his opportunities, and even Aneurin Bevan who seemed to be hibernating all winter has turned up with a glow of confidence on his face.

The Astor family's Sunday Observer openly ridicules the prime minister without actually supporting the Socialists.

The Observer does, however, pillory the present Parliament for its lack of color and its general second rateness — and some of the strictures are deserved.

I am still certain that when the sickly green sun changes to its proper golden glow people will begin to rally once more to the banner of Mac the Immaculate.

Until the general election has been held and the verdict declared we must be prepared for alarums, excursions and noises off. But my money is on Mac.

Company Reports

Financial

BRITISH MORTGAGE & TRUST CO., Stratford, Ont. (formerly **British Mortgage & Trust Corp. of Ontario**) net profit of $187,324 for 1958 was 9/2% higher than 1957's $171,469.

Guaranteed investment certificates increased $3 million to $17.5 million. Biggest proportion of the increase was invested in mortgages.

In November company increased interest on savings deposits to 3¼%, calculated on the half-yearly minimum balance.

Managing Director W. P. Gregory states that company is faced with "a tightening squeeze on profits," and adds that mortgage rates are "already as high or higher than we like to charge."

Company's interest on its certificates fell from 5% to 4%, and rose to 5% again by Jan. 16, 1959.

Another $100,000 was added to general reserve fund, bringing it to $1.5 million. Special reserve for mortgage losses was increased by $58,334 to $201,108.

Company acquired a site in Stratford, Ont. for its new head office building. It is hoped that construction will begin early in 1960.

An extra payment of $2 per share was made along with usual half-yearly dividend Jan. 2, 1959.

	1958	1957
	$	$
Liabs. to public, etc.;†	26,353,506	22,232,861
Shareholder's equity	2,823,078	2,663,401
*Secured by:		
Mtges. & sls. agree.	23,182,503	19,767,922
Office premises	28,648	35,917
Liquid assets‡	5,969,433	5,092,423
Total	29,180,584	24,896,262
‡Includes stocks and bonds		
Estates account	1,331,673	1,098,710
Net profit	187,324	171,469
Earned per share†	$17.97	$16.67
Paid	8.00+3.00	8.00+3.00
†Based on 10,426 shares in 1958 and 10,285 shares in 1957.		

Hardware

N. SLATER CO., Hamilton, Ont., consolidated net profit of $512,846 for the year ended Oct. 31, 1958, was 7.7% higher than previous fiscal year's $475,991.

"Over-all sales were maintained during the year," President C. W. Cassels says.

Mr. Cassels reports that wholly owned subsidiary **Stamped & Enamelled Ware Ltd.,** Hespeler, Ont., added to parent's profit position.

Capital expenditures totaled $116,641.

Hamilton plant's 10,000 sq. ft. addition (scheduled for completion in January) is to be used for production of new items of the electrical apparatus division.

Inventory was reduced by $523,350. Mr. Cassels terms this a temporary condition.

Annual meeting is Feb. 11.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1958	1957
Net oper. inc	$1,107,734	$1,121,623
Add: Profit on sale assets & secs.	17,316	2,421
Net earnings	1,125,050	1,124,044
Less: Deprec.	187,740	191,182
Income taxes	424,464	456,871
Net profit	512,846	475,991
Less: Pref. divd.	17,916	18,933
Com. divds.	150,000	150,000
Surplus for year	344,930	307,058
Earnings per Share and Dividend Record:		
Pref.: Earned	$71.72	$53.30
Paid	2.12	2.12
Com.: Earned	3.30	3.05
Paid	1.00	1.00
Shares o/s as at Oct. 31:		
Pref. $5 oper.	7,151	8,931
Com. n.p.v.	150,000	150,000

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1958	1957
Cash & govt. bds.	*$513,541	$515,446
Accts. rec., less res.	706,004	726,259
Mkt. secs.‡	992,822	.....
Inventories	1,856,428	2,379,778
Life ins., c.s.v.	.....	35,885
Total curr. assets	4,068,795	3,657,368
Misc. assets	74,218	96,172
Fixed assets•	1,735,433	1,813,409
Total assets	5,878,446	5,566,949
Total curr. liabs.	807,767	776,750
Invest. res.	500,000	500,000
Capital stock	1,357,350	1,446,350
Capital surplus	133,883	124,937
Earned surplus	3,079,246	2,718,712
•After depr. of	2,157,568	1,989,726
‡Mkt. value	992,000	.....
*Cash only.		
Working capital	3,261,028	2,880,618
†Includes cash and treasury bills.		

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TWINDOW GLASS THICKNESS	AIR SPACE	SAVING
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¼"	¼"	46%
⅛"	½"	50%
¼"	½"	51%

Twindow has proved such an attractive feature that today entire housing developments are being built with Twindow throughout.

*T.M. Reg.

Hudson's Bay Oil Building, Calgary, Alberta. Architect: *Stevenson and Dewar.* Contractor: *Poole Construction Company*

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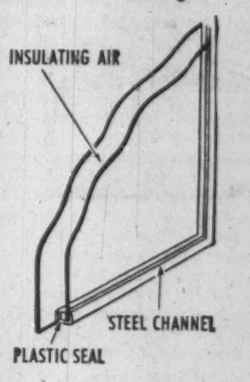

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What every young businessman should know

How to get your boss's job

Marry the right girl—and your job! That's the surest way for a young businessman to get ahead. According to twenty of Canada's top business executives and industrial psychologists, it's no longer a simple matter of getting to work on time and working hard. Today you must learn to sacrifice personal preferences for corporation policies. You must understand the stock market—know at least one industry intimately—listen when ambitious subordinates talk—try to be ruthless. You must be able to rebel at precisely the right moment. And you must remember: it's lonely at the summit.

Read about it in . . .

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AT YOUR NEWSSTAND TODAY

Don't Lose Sight Of Your Customer

Here's how small business can compete with the big fellows . . .

How can small business successfully compete with the big fellows?

How can you improve your product to cash in on increased sales?

Do you really know your customer — the man who is now more selective, more sophisticated, more demanding of the product he buys?

J. D. Orr, president, **Orr Associates Ltd.** *Toronto has studied these and other important questions facing small business. His research may help your business.*

By J. D. ORR

You don't ask your customer to design your product.

He doesn't know what he wants until he is confronted with it and either buys or he doesn't buy.

There are four main points which must be remembered in creating your product.

● **Increased function:** Making the product do more things than it did before, or do them differently or better.

● **Higher performance level:** Make your product more reliable, safer, easier to use, to maintain, to repair, to clean.

In other words, offer basic improvement over existing products.

● **Lower cost.** Not just by detail or isolated analysis, but through thinking creatively.

New arrangements, new materials, elimination of excess parts and so on.

● **Improved appearance:** The look of your product can offer pride of ownership and win preference, or it can set up a friction which is a barrier to sales.

The appearance of a product represents the integrity and character of the manufacturer himself.

If a quality product then it should give that impression visually.

Nearly all of the new product concepts or innovations and basic improvements over the years have been consistently the work of the product engineer in small companies.

But four out of five failures are made by small companies.

This is not because new development goes hand in hand with higher failure incidence automatically.

It's because most of the work was not constantly customer orientated.

Remember, your customer really doesn't care about your plant problem, what equipment you need to make the product, how your plant is laid out, the trouble you had in naming your product and planning your advertising, or your sales and distributor problems.

Unless, as a result of these, the result is an inferior product which doesn't meet his demands.

Even then, he still isn't interested in your problems. He simply buys someone else's product.

The customer today is not in the same frame of mind that he was in the past.

He is now more selective, more sophisticated, more demanding of the product he buys.

The successful manufacturer must take into consideration at each stage of his operation, the characteristics of the people he wishes to sell and what they want and expect from his product.

We have often been asked the question: "Why can't we take the best features of our competitors' products and incorporate them into our own superior product?"

The answer to this is plain.

First, there is the basic assumption that the best features which could be incorporated into a product are on the market, and satisfy all the needs and desires of the customer.

Secondly, the engineer examining these competitive products is in a position to judge which, to the customer, are the best features.

The fallacy of this design method is obvious, since, were this to be true, progress would stagnate and the engineer who does follow this plan could never be a leader.

He is always behind creative competition.

The outstanding fault, however, in this approach, is that instead of comparing each competitive product as to how it satisfies the existing and possible future needs of the user, the study merely compares one existing product to another existing product, from an engineering standpoint.

Yet, this is being done every day, and is probably why four out of five new products reaching the market fail.

In small companies, this occurs most frequently.

Product planning, properly carried out, and which never loses sight of the ultimate user, is a successful procedure for small companies.

In these companies, several area heads will be represented by one person.

For instance, in most small companies there is at least sales, engineering and plant represented, with the management either included among these, or in addition.

This is enough for a successful product planning committee.

Sales or management can represent the market research function quite adequately with some training. Here lies the danger.

Sales must learn to be completely objective in approach and analysis, with the emotional element entirely removed.

If not, the engineer may end up designing a product to suit John Done, purchasing agent of an important account the company wants, and completely miss the mass market.

On the other hand, the engineer, for his part, must realize that this information, properly used, will further improve his role in designing a successful product.

Before the engineer puts a line on paper in the product design project, there is a basic minimum information he should have about the market and customer.

This must be accurate, unbiased, complete and specific.

After a product has been selected for improvement, here is the essential information required:

● **What is the annual volume** of this type product sold in our market?

● **What is our present share** and estimated fair share?

● **Who are our competitors?** List in descending order of importance.

● **What do customers** of this type product really think of our product, and our competitors' products.

● **Have competitors' products** been studied carefully from the viewpoint of the user?

Without this information you know less about the market than your potential customer.

● **Is there an unsatisfied need** the customer or user or both have with regard to the product use in general? If so, what is it (are they)?

● **What is the real relative importance** to the customer or user among such factors as price, performance, maintenance, appearance, installation, repair, cost of use, etc.

Remember, when we are dealing with customers, we need to be objective in sorting out these various factors.

It is seldom what **you** think is important.

It is not necessarily what really isn't important in actual use.

It's often what he thinks is important that makes a successful product.

Milk Pools May Be Near To Meet Future Demands

From Our Own Correspondent

CALGARY—An over-all coordinated milk marketing program to control adverse trends may be shaping up in the future.

Delegates representing 36 member associations were told this at a convention here of the Dairy Farmers of Canada.

Dr. H. H. Hannam, president of Canadian Federation of Agriculture, said some form of pooling may come sooner than expected.

By 1970, it is estimated Canada will need 23 billion lb. of milk to meet butter, cheese and fluid milk consumption.

To meet this demand an increase of about 36% of milk supply would be required.

A resolution by W. G. Tilden, of Harriston, Ont., urged dairy farmers to refrain from going into any unusual expansion of milk production to avoid possible injury from surpluses. Resolution was passed.

Other resolutions passed:

● **That the federal government be requested to continue butter price support** at not less than 64c lb. and that consideration be given that the carrying charges be added to the resale price of government-held butter.

● **That government subsidy for export of whole-milk** powder be at least 10c a lb.

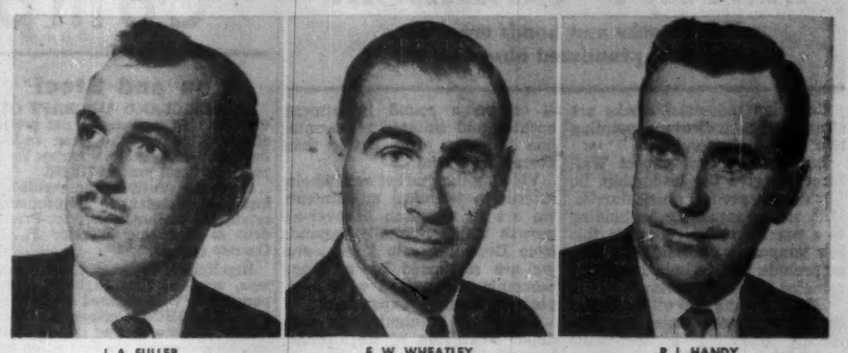
● **That larger quotas with the U. S. be negotiated for** mature cheddar cheese.

● **That efforts be continued to have a substantial duty applied** to edible oils or oil bearing seeds entering Canada to replace butterfat.

● **That support price for spray process skim-milk powder be 15c a lb.** and for roller-processed powder, 13c.

ANNOUNCEMENT

WORTHINGTON (CANADA) APPOINTMENTS



J. A. FULLER — E. W. WHEATLEY — R. L. HANDY

H. D. Allen, General Sales Manager of Worthington (Canada) Ltd., has announced the following appointments. J. A. Fuller has been named Assistant General Sales Manager; and E. W. Wheatley, Toronto District Sales Manager. R. L. Handy has been appointed Assistant Toronto district manager.

Woods, Gordon & Co.

(successors to J. D. Woods & Gordon Limited)

Management Consultants

PARTNERS:
W. L. GORDON — G. P. CLARKSON — J. A. LOWDEN — E. B. CHOWN
G. B. BAILEY — R. P. BODDY — J. A. BROWN
G. B. DONALDSON — D. L. GORDON — H. B. GUILFOYLE
R. O. MOORE — H. W. ROWLANDS — R. J. SHIRLEY
S. J. SINCLAIR — A. N. STEINER — D. M. TURNBULL
D. B. WATSON

CONSULTING PARTNERS:
J. D. WOODS — R. PRESGRAVE

MONTREAL — TORONTO — VANCOUVER

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Edison Voicewriter

Thomas A Edison OF CANADA LIMITED A McGRAW-EDISON COMPANY DIVISION

Southern Alberta Farmers Aim At Record Crop of Sunflowers

From Our Own Correspondent

LETHBRIDGE — Plans for the largest acreage of sunflowers ever attempted in Canada are under way in southern Alberta.

Western Canada Seed Processors Ltd. aims at 150,000 acres under contract for the vegetable oil extracting plant to start in North Lethbridge in July. Signing of contracts with farmers started on Jan. 28.

Most of the anticipated harvest of sunflowers will be processed into vegetable oil and meal for livestock feeding purposes.

Planned as a $4 million dollar venture that will include a $2.7 million oil seed processing plant, the company has sold more than $1.3 million worth of its stock.

Hugh H. Michael of Lethbridge, vice-president of the company, told **FP**:

"This sunflower crop is an entirely new venture on a large scale for Alberta and could return farmers in the neighborhood of $8 million for this year's production."

Last year, in preparing for all-out effort with the crop in 1959, southern Alberta farmers raised commercial sunflowers under contract on 4,500 acres.

Their yields averaged 1,000 lb. of seed per acre and the farmers were paid a flat contract price of 5c lb.

Contracts now being issued stipulate that farmers will receive an initial price of 3c lb. for their sunflower seed, then an interim payment and ultimately a final payment.

A high oil content and strong market prices for oil and meal could bring farmers more than 5 or 6c lb. for their 1959 harvest.

Company to Guard N. B. Forests

Special Correspondence

SAINT JOHN — **Forest Patrol Ltd.** has been formed with headquarters here to protect New Brunswick's forests.

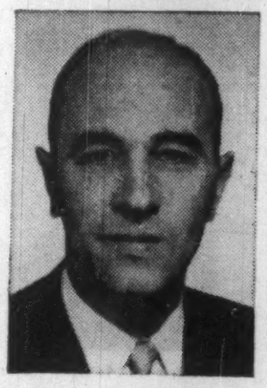
The company has one plane but will add additional aircraft and a helicopter later.

Letters patent have been granted to Francis E. Atkinson of Fredericton and two other Fredericton residents.

Company will carry on aerial pest and fire patrol and aerial photography.

ANNOUNCEMENT

CONFEDERATION LIFE MANAGER



PAUL MORGAN, C.L.U.

Confederation Life Association announces the appointment of Paul Morgan, C.L.U., as divisional manager of its Toronto-North branch. Mr. Morgan is a graduate in law of Oxford University and has his master of commerce degree from the University of Toronto. Latterly he has been associated with the company's agency management training program.

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Good Miami connections. Tourist round trip, Toronto to Tampa, is only $122, with complimentary hot meals; refreshment service available.
Luxurious First Class service, $164 return, if you prefer it.

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There are through services to *all* these delectable islands from Toronto — non-stop to Nassau and Bermuda, no change of plane to any of them!
New this season is the TCA service to Antigua, colourful outpost of the Leeward Islands. Only TCA serves so many resorts in the South, direct from Canada.

TOURIST ROUND-TRIP FARES FROM TORONTO

NASSAU	$160.00 OR $16.00 DOWN	ANTIGUA	$241.40 OR $24.14 DOWN
JAMAICA	$227.00 OR $22.70 DOWN	BARBADOS	$306.00 OR $30.60 DOWN
BERMUDA	$141.00 OR $14.10 DOWN	TRINIDAD	$325.00 OR $32.50 DOWN

CALL YOUR TRAVEL AGENT OR

TCA TRANS-CANADA AIR LINES

Market Comment

What stocks and bonds are doing and what prominent observers say

Canadian industrial stocks are strong with indicators pointing into new high ground.

But brokers still expect Wall Street to give the leadership. So far, despite several quick flurries, U.S. issues appear to be holding to a narrow range. Whether this is a temporary consolidation area or prelude to a technical setback, remains to be determined.

Penny mining and oil issues are busy. Several companies are completing financing arrangements and laying plans for stepped-up exploration and development activity. Key among the mines is the strength in copper which jumps one cent to 30c U.S., 29c in Canada.

* * *

W. D. BENSON, R. Moat & Co. (Montreal).

In spite of the many uncertainties which confront us as we enter the new year 1959, there is accumulating evidence that:

1. The economic recession of 1958 is over.
2. Spending on durables by the individual will expand.
3. Wages will rise in spite of growing resistance on the part of the employer.
4. Expenditures by industry on equipment and inventories will tend to rise.
5. Government outlays will not be reduced.
6. There will be no increase in the price of gold.
7. Bond prices will tend lower.

On the wrong side of the ledger we have the clouds of international discord which could lead to war; in the domestic field we are faced with continuing labor demands posing the threat of work disruption through strikes; and the note of caution which is always sounded when a stock market reaches a new record high, at which its components provide a revenue yield well below that obtainable on standard bonds.

Market policy — what then should investors do? I recommend that security holders review with their financial advisers their objectives and their present holdings to ensure a sound investment backlog and suitable representation in issues with better than average potential.

Viewing the market as a whole, subject to technical adjustments we are in a season of over-all growth which normally expands from December into March, and we are supported by a strong economic background with prospects of earnings expansion.

Therefore, I submit that with dollar averaging of institutional buyers likely to continue and with a strong bias towards inflation, that **while corrective reactions of up to 10% must be allowed for, providing trading opportunities for the nimble, a change in the basic upward trend remains improbable.**

* * *

ARNOLD G. PLAXTON, Intercity Securities Corp. (Toronto).

The good business prospects for 1959 and the great concern with inflation expressed by business leaders in almost unanimous chorus have maintained strong bullish sentiment for equities.

It is possible that undue emphasis is placed on the inflation theme rather than that of increased productivity and employment. Efficient production is, after all, the best cure for high prices, and technological improvements in means of production should more than offset the effect of increased wages on prices.

February is usually a month of irregular or reactionary tendencies in the stock market and we believe that lower prices may be seen over the next few weeks in many stocks. We would therefore recommend the policy of buying favorably situated equities only on sell-offs.

Papers and steels look attractive and in these groups we especially like **Abitibi** and **Dominion Foundries.**

Government bonds are selling at the highest yield in many years and we strongly recommend the long term, low coupon issues for yield and possibilities of appreciation.

Volume of Stock Sales

		Montreal	Toronto	Calgary	Vancouver	New York
Feb.	2	1,302,700	5,841,000	117,030	148,061	5,690,000
Jan.	30	990,700	5,568,000	270,078	174,907	5,990,000
Jan.	29	844,000	4,907,000	258,759	152,569	5,550,000
Jan.	28	1,220,300	5,232,000	428,454	185,276	6,350,000
Jan.	27	980,100	4,505,000	96,615	143,066	4,970,000

Unlisted Stocks

(Compiled by Intercity Securities Corporation Ltd., Toronto)

Feb. 2, 1959

	Bid	Asked
Algoma Cent. new) pfd.	$65.50	$66.50
Anglo Can. Tel. A	39.75	41.00
Brinco	4.00	4.50
Brinton Peterboro. Carpet	36.00	39.00
British America Assce.	113.00	117.00
British Mtge. & Trust	235.00	245.00
Can. Admiral Corp.	....	16.00
Can. Canners B	10.25	....
Can. Corp. Management	6.75	7.25
Can. Crushed Stone, 6% pfd.	97.00	....
Can. & Foreign Securities	10.00	11.50
Can. General Insurance	....	625.00
Cawthra Apts.	51.00	....
Commercial Finance	52.50	56.00
Commercial Life 20% pd.	32.00	....
Concourse Bldg. V. T.	100.00	....
Corp. Cable 6% Pfd.	92.00	98.00
Crown Life Insurance	153.00	157.00
Debenture & Secs., 5% pfd	72.00	....
Dom. Can. Gen. Insurance	66.00	....
Dom. Linseed Oil, units	3.50	....
Dover Industries	14.25	14.75
Eastern Trust Company	24.50	27.00
Essex Packers, com.	2.00	....
Do. pfd.	30.00	....
Excelsior Life	150.00	....
Goderich Elevator	23.00	24.00
Granite Club	13.50	14.25
Grt. Brit. & Can. Inv. com.	19.00	20.00
Do. pfd.	92.00	98.00
Great-West Life	288.00	292.00
Guar. N. Amer. fully pd.	350.00	375.00
Do. 20% pd.	93.00	100.00
Halifax Insurance	17.50	18.50
Halton & Peel Trust	11.50	12.25
Hart Battery ('57), units	3.50	....
Hees, Geo. H. $6.00 pfd.	40.00	....
Highland Dairy, 5% pfd.	....	40.00
Industrial Life	65.00	....
Industrial Mtge. & Trust	77.00	....
Ingersoll Machine 5% pfd.	85.00	....
Ingersoll Machine & Tool, B	5.25	5.75
Jenkins Bros.	64.00	....
Lambton Loan Sarnia	78.00	....
London Can. Inv. $3 pfd.	43.00	46.00
Do. A	38.00	41.00
London Life Insurance	191.00	195.00
Lord Simcoe Hotel A	1.40	....
McCarthy Milling A	2.50	....
*Manufacturers Life	252.00	258.00
(Do.	250.00	255.00
Maritime Life	120.00	....
Maxwell 5% pfd.	77.00	80.00
Meadowvale Development	3.85	4.15
Monarch Life, new	40.50	....
Mutual Finance Corp., pfd.	.75	....
National Life, 100% paid	500.00	....
Park Lawn Cemetery	2.25	2.50
Pembroke Electric Light	75.00	....
Phillips Electrical	8.25	9.00
Prairie Royalty Trusts	1.50	....
Prudential Trust	21.00	....
Scott Misener Steamships	13.75	....
Sifton-Nes McNaughton Line	8.25	....
S.K.D. Mfg., 6% pfd.	6.50	....
Sovereign Life 25% pd.	215.00	....
Standard Fuel pfd.	34.00	37.00
Steelman Gas	6.00	6.50
Teleflex Limited	43.00	....
Thorncliffe Park	13.50	14.25
Tor. & London Invests.	2.40	2.80
Toronto Medical Arts Bldg.	70.00	73.00
Trans-Canada Freezers	2.85	....
Transportation Bldg. Mont.	9.00	....

ANNOUNCEMENT

C. E. LEGUILLETTE

The Board of Directors of SNAP Manufacturing Ltd. has announced the appointment of Clive E. Leguillette as Vice-President and General Manager. Mr. Leguillette joined SNAP as Industrial Sales Manager in 1955 and was appointed General Manager and Director in 1956. Located in the Montreal Head Office, Mr. Leguillette is responsible for SNAP's expanding operations in the Industrial and Retail Field across Canada.

Unlisted Mines & Oils

(By Brokers Dealers' Assoc. of Ont.)

Approximate quotations, 3.30 p.m., Feb. 2, subject to confirmation and change. An asterisk (*) indicates an increase in price; a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abbican	*12½	14	Mar Brd	7½	8½
Abeta	5½	6½	Mal Brd	7½	8½
Aconic	*95	105	Mal Can	5	7
Do vt	*63	70	Maree	1	3
Advance	6	7	Mate Yel	5	7
Ama Kr	2½	3½	McCuaig	7	8
Anabar	2	4	McFinly	6	7
Anamo	2	3	Matt L	*525	550
Anjwon	*6	8	Miles R L	3	5
Arctic	1½	2½	Millkirk	—	8
Barlma	14	16	Mindus	100	120
Beacon	3	5	Mirado	10	12
Belfast	7	9	Mt Keno	1½	3
B Jck P	*5½	6½	Montco	3	5
B Grass	3	5	Murk F	68	73
B McD	7	10	Murmac	2	3
Bour C	1	3	Mury M	†26	28
Brace	*32	33	Nasco	2½	4
Braminco	9	12	Nat Nw	21	23
Bright	3½	4½	Nw Aug	7	8
Brilund	*5	7	N Cmp	—	40
Bruce P	10	13	Nw Met	3½	5
Brunette	5	7	N Isco	7	9
Burchell	3½	4	N Redwd	4½	5½
Camdeck	†3	5	N Wal	4	6
Cam'ren	6	7	Nickel L	2	3
Camray	1	3	Nickel O	*5½	7
Can-Fer	*77	85	Nicoba	4	6
C Rd C	†25½	27	Nipir	†15	17
C All M	4	6	Norbeau	*56	60
Cn Man	9	10	Normar	3	4
Cnt Hill	†13	15	Ocean	125	140
Chellew	7	9	Oklend	6	8
Caral	6	10	Orofino	7	8
Clinger	5½	7	Ortona	1½	3
Clix	3½	4½	Pacemk	6	8
Columbr	*4	5	Panthr	95	105
Columbin	½	1½	Parmlee	33	38
Comstock	3	5	Pascalis	14	17
Con Cop	14½	16	Pax nw	25	35
Con Hrp	6	8	Peach	1200	1275
Cn Fred	30	40	Pelangio	2	4
Crack S	4	6	Pickering	7	9
Cordell	3	6	Picton	5	7
C Vauze	*198	205	Pin P	†1025	1075
Craibbe	*49	51	Pitchvn	20	22
Croydon	3	5	Prudent	*58	60
Derlak	*4	6	Quej	4½	7
Desmont	1	2	Quest	½	2
Despina	2½	4	Raglan	*20	22
Destrad	2	3	Rahil M	17½	19
Dom Ex	*34	37	Rand M	7	9
Dunvegn	7	8	Red Brk	2	4
Durham	2	3	Redcon	†13	15
East Lun	2	4	Redruth	3	4
Echo Ind	½	1	Rhyolite	2	2½
E Bon	3	4	Richgrp	5	6
Farcroft	1	3	Rio Ti	165	175
Flicka	4	6	Rob RL	†20	23
Forty-F	30	50	Romar	4	6
Gateway	4	6	Rugged	2	3
Gan Cop	6	7	Russet	3	5
Glenbck	10	12	Salmita	†11½	12½
Glencona	1½	2	Shield	32	33
Glen Ech	2	3	Sheldon	12	13
G Harker	†8	11	Sladen Q	70	75
Gord Lb	1½	2½	S My ex	18	20
Gd Maq	*13	15	Slate By	3	5
Goldyke	2	4	Snow L	6	8
Gov Gold	2	4	Starlight	*4	6
Halmon	18	22	Sun Bear	1½	2
Hornflit	*8	10	Thorner	6	8
Hot Min	6	8	Tower	3	6
Hub U	10	20	Tresdor	†14	16
Hubert	7	8	Ur Bldg	16	19
Hucamp	†14	16	Un Pr	*260	265
Indepen	10	12	Ungava	4	6
Jamaica	9	11	Viking	10	12
Jean Lk	9	10	Wadge	5	7
Jerome	5	7	Watson	†40	43
Kamlac	11	12	Wesley	5	6
KB Mng	5	6	Wst RL	4	5
Kendn P	1½	3	W Wasa	6	8
Kenog	8	9	Y David	16½	18½
Laronge	2	4	OILS		
Lrndona	3	5	Brobar	—	50
Laroma	3	5	B C Oil	†6	
Larum	*10	11	C Delhi	*809	850
L Expn	19		C Sup		
Lake R	8	12	GS Grs	†41	43
Lasale	11½		Harvest		
Lynwat	13	15	Lonz Pt	†69	72
Lun Ec	†34	37	N Surp	230	250
Magoma	3½	5	O Smoky	1½	2½
Main O	35	40	Paige Pte	8	—
Manecho	*7	9	Place	*100	105
Mallen	6	7	Sbmrn	90	94

Company Reports

Iron and Steel

DE HAVILLAND AIRCRAFT OF CANADA LTD., Toronto, net profit of $1,049,189 for the year ended Sept. 30, 1958, was 34.8% higher than previous fiscal year's $778,408.

Increased profit is the result of including substantial adjustments relating to earlier years, Vice-President & Managing Director P. C. Garratt reports.

Highlight of the year, Mr. Garratt says, was the first flight of company's new twin-engined utility aircraft, the DHC-4 Caribou, in July.

A limited number of this aircraft has been ordered for evaluation by the U.S. Army and Canadian Army.

A production line is now in operation, with regular deliveries scheduled from February. Total investment in this project to date is more than $10 million.

Although sales prospects are "most encouraging," and company expects world-wide interest in the Caribou to develop, profits are not anticipated in the early stages.

Civil sales continued on a reduced scale, Mr. Garratt says, due to credit problems at home and abroad, and the unsettled international situation.

Some 1,300 DHC-2 Beaver aircraft (mostly the military version for U.S. forces) had been delivered by year-end. Orders for this type are on hand through most of 1959, Mr. Garratt states.

Nearly 300 DHC-3 Otter aircraft were delivered, mostly to the U.S. Army. Production of this type will be continued through 1959.

Company reports on schedule production of its CS2F-1 Tracker aircraft for the Royal Canadian Navy. Completion of present order is expected by mid-1960. This aircraft is a design of the **Grumman Aircraft Engineering Corp.,** and is built under license.

Business of the engine division was reduced by 90%, and it is now functioning as a department of the aircraft company.

De Havilland engines, both jet and piston, and de Havilland propellers and ancillaries are under overhaul, Mr. Garratt says, but the work volume is "relatively small."

He adds that the guided missile division is operating on "a greatly reduced scale" since termination of work on the Sparrow II missile. A number of projects are in hand, he says, with sufficient work to keep essential personnel busy.

Mr. Garratt reports that contracts for the guided missile division's 1959 program are in "active negotiation."

Capital expenditures for additional plant equipment totaled $350,000.

De Havilland's offer to purchase plant and equipment of **Fleet Manufacturing Ltd.,** Fort Erie, Ont., was rejected by Fleet shareholders.

Company's current space requirements have been met through various arrangements without this facility, Mr. Garratt notes.

He expects that normal earnings will be absorbed in the present fiscal year by continuing development expenditures, the creation of adequate production tools and jigs and, with reference to the Caribou, "the usual high costs" in the early manufacturing period.

Annual meeting is Feb. 26.

INCOME ACCOUNT

Years Ended Sept. 30:	1958	1957
Operating profit	$1,803,751	$2,403,174
Less: Deprec.	754,562	783,766
Income tax	‡	843,000
Net profit	1,049,189	778,408
Less: Cl. A divd.	160,000	32,000
Cl. B divd.	30,000	....
Surplus for year	859,189	746,408

*No provision has been made for income tax as taxes otherwise payable have been offset by previous adjustments relating to earlier years.

Earnings per Share and Dividend Record:		
Class A†	$32.78	$24.33
Class A‡	25.46	19.01
Paid	5.00	1.00
Class B‡	23.46	17.01
Paid	3.00	....

†Before (after‡) participation.

Shares o/s as at Sept. 30:		
Class A, n.p.v.	32,000	32,000
Class B, n.p.v.	10,000	10,000

CONDENSED BALANCE SHEET

As at Sept. 30:	1958	1957
Cash	$6,105	$12,301
Invests.	1,500,000	....
Accts. rec., less res.	2,915,212	4,116,709
Adv. on contracts	71,875	73,742
Inventories	5,267,207	5,525,843
Total curr. assets	9,760,399	9,728,600
Investments	60,359	60,359
Misc. assets	273,432	263,976
Fixed assets*	6,243,131	6,696,598
Total assets	16,342,321	16,753,533
Bk. loan & o'draft	652,581	652,895
Accts. & tax. pay.	3,513,714	4,233,801
Total curr. liabs.	4,166,295	4,886,696
Conting. res.	100,000	650,000
Def. inc. tax	925,000	925,000
Capital stock	306,000	306,000
Earned surplus	4,000,000	4,000,000
Capital surplus	4,851,072	4,851,072
Earned surplus	1,993,954	1,134,765
*After depr. of	4,297,973	3,560,551

▲Arising from sale of land and buildings.

Working capital	5,594,104	4,841,904

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 3, 1959

Public Utility Issues:	Int. Rate	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	147	150	147
Bell Telephone	5	'72	99	102	98½
Bowater Pr. Co.	3½	'80	84	....	84
Brazilian Traction L. & P.	4½	'70	80	83	79
B. C. Electric	5½	'88	93	95	93
Do.	5½	'77	99	102	99
B. C. Telephone	5	'82	95	97	95
Calgary Pwr.	3½	'72	85	....	84
Consumers' Gas	5	'78	97	99	97
Gatineau Pr. D	3½	'70	86	88	85
Gt. Lakes Pr.	5½	'77	109	....	108
Maclaren-Quebec Power	3	'69	86	89	86
Mexican L. & P.	5	'75	84	87	84½
Nat. Lt. & Pr.	4½	'61	98	101	98
North. Que. Pr.	4½	'67	91	93	91
N. Ont. Nat. G.	5½	'82	91	94	90
Power Corp.	5½	'77	100	102	99½
Que. Nat. Gas	5½	'85	93	96	92
St. Maurice Pr.	3½	'70	85	87	85
Shaw. W. & Pr.	4½	'76	96	98	95
Tr. Can. P. L.	5.85	'87	93	96	93
W'coast T. Deb.	5½	'88	81	84	80
Industrial Issues:					
Abitibi Pr. P.	6½	'77	105	108	105
Do.	4	'74	91	....	91
Acadia-Atlantic Sugar	4	'74	87	90	87
Alum. of Can.	4½	'73	92	95	92
Bathurst P. & P.	5½	'73	96	99	95
Bicroft Uranium	5	'62	95	98	95
Can. Bread	4½	'67	88	....	88
Can. Cement	5½	'76	99	102	99
Can. Steamship	5	'56	93	....	92
Cdn. Brew.	4½	'81	90	93	90
Cdn. Canners	3½	'70	86	89	86
Cdn. Celanese	3	'62	92	....	92
Cdn. Chem. Co.	5½	'71	87	91	84
Cdn. Industries (1954) Ltd.	3½	'74	87	89	87
Cdn. Dyno	6	'63	88	91	88
Cdn. Oil	4	'76	86	89	85
CPR	3½	'72	85	88	85
Can-Met	5½	'62	79	82	78
Cockshutt F. Eq.	4½	'65	90	....	88
Cons. Denison	5	'62	97	99	97
Dom. Fdries.&S.	4½	'69	94	97	94
Dom. Stores	5½	'76	100	103	100
Dryden Paper	4½	'74	89	93	90
T. Eaton Acc.	4½	'72	94	....	94
T. Eaton Realty	5½	'76	100	102	99½
E. B. Eddy	4	'78	82	85	82
Elk Falls Co.	5	'75	90	92	90
Gen. Mot. Acc.	4½	'69	95	97	94½
Gt. Lakes Pap.	5	'76	94	98	94
Gunnar Mines	5	'60	100	102	100
Hud. Bay O.&G.	4	'75	84	86	84
Husky Oil	5	'69	89	....	89
Imp. Tobacco	3	'70	83	87	85
Imp. Oil	3	'69	86	88	85
Ind. Accept.	6	'77	102	105	102
Loblaw Groc.	6	'77	102	105	103
Lorado Uranium	6	'62	70	73	70
Maple L. M.	3½	'63	96	....	91
Massey-Ferg.	4½	'76	87	91	87
North Cdn. Oil	5	'75	78	82	78
Northspan	5½	'63	73	76	72
Ont. Jockey Cl.	5½	'72	87	90	87
Phillips Elec.	5	'73	89	....	89
Price Bros.	3½	'66	90	93	90
Pronto Uranium	5	'60	99	....	99
Regent Refining	4½	'75	89	....	88
St. Law. Corp.	5	'72	96	98	95
Salada-Sh.-H.	6	'77	102	....	101½
Simpsons Ltd.	4½	'73	95	97	95
Simpsons-Sears	4½	'79	93	97	92
Steel of Can.	2½	'67	86	88	86
Traders Fin.	4½	'71	91	94	91
Union Accept.	5½	'68	94½	96	94½
Un. Grain Gr.	3½	'70	83	86	83
Weston, Geo.	4½	'71	94	97	94
CONVERTIBLE ISSUES					
Abitibi P. & P.	4½	'66	103	105	102
Atlas Steels	5	'67	116	....	110
Braz. Trac. L&P	4½	'71	74	77	74
CPR	3½	'66	89	91	90
Do.	4	'69	97	99	97
Cockshutt F. Eq.	5	'68	95	....	92
Home Oil	5½	'71	120	124	119
Shaw. W. & P.	5½	'72	120	124	123
Westcoast T.	5½	'88	98	101	98
Loblaw Groc.	4½	'76	161	....	152
Phillips Elect.	5½	'70	93	97	92
Silverwood Dair.	5½	'72	103	106	103
Triad Oils	4½	'71	89	....	88

CITY OF ST. JEROME, Que., has sold $564,000 5% 20-year serial debentures to a syndicate headed by **A. E. Ames & Co.** and **Wood Gundy & Co.** at 95.282 indicating net cost of 5.612%. Bonds callable after Jan. 21, 1969. Proceeds for construction of an industrial building and public works. At Dec. 31, 1957, city's net funded debt $2,913,847 (not including the $438,500 issue sold in March, 1958). Population 24,152.

Mining

CONSOLIDATED DENISON MINES had a net profit of $9,556,113 or $2.15 a share in 1958, the first full year of production. Uranium oxide output in the year climbed to $42,333,537.

After a slow start, the mill rate was gradually pushed up to the 6,000-ton capacity over the year. A total of 1,897,870 tons were treated (5,101 tons daily) with recovery averaging $22.30 per ton.

Operating costs were driven down from the January average of $12.71 to the December level of $10.01 per ton. The average for the year of $10.77 was made up of $3.02 for development, $2.38 for mining, $4.17 for milling, and $1.20 for mine administration. Emphasis in 1959 will be in pushing costs lower.

During the year $9 million of funded debt was retired and a $2,642,000 bank loan was repaid. Since the year-end an additional $1.8 million of bonds have been purchased leaving a $4.2-million balance due in 1959.

Still before the courts and not reflected in the accounts is a suit filed against the company by **Pernal Ltd.** The suit claims $2,745,015 as funds owing under contracts. Denison has filed counterclaims of $5,802,173.

Actual ore reserves are not given, but the report states that they are sufficient to maintain a daily operation of 6,500 tons "for several decades."

Stress is being laid on the early establishment of continuing long-term markets for the company's output. Demand for uranium oxide in the immediate post-contract period will be substantial, S. B. Roman, president, says.

INCOME ACCOUNT

Year Ended Dec. 31:	1958
	$
Total revenue	42,333,537
Less: Oper. exps.	20,053,817
Gen. exps.	670,668
Operating profit	21,609,052
Less: Deprec.	7,802,000
Ont. min. tax	1,460,000
Interest	1,795,939
Def. dev. & preprod.	995,000
Net profit & surplus	9,556,113

To Dec. 31, 1957, proceeds from production, $13,498,421, were deducted from pre-production expenditures.

Earnings per Share	$2.15

CONDENSED BALANCE SHEET

As at Dec. 31:	1958	1957
Cash		$408,687
Conc. settlements	$5,434,332	3,584,354
Accts., etc., rec.	518,278	288,090
Supplies	2,263,005	....
Total curr. assets	8,545,615	4,281,131
Hydro deposit	....	115,182
Prepaid exp.	67,899	16,470
Bd. issue exp.	941,714	1,216,714
Supplies	....	2,433,739
Advances	180,750	....
Misc. assets	31,454	31,454
Def. dev. & preprod. exp.	4,225,465	5,119,305
Mining props.	269,309	269,309
Bldgs., plant, etc.†	33,137,556	38,191,133
Total assets	47,119,762	51,679,437
Bank loan	19,014	2,642,000
Accts., etc., pay.	5,087,236	8,609,260
Prov. for taxes	1,310,000	....
Total curr. liab.	6,596,252	11,451,260
Bank loan (secured)	6,000,000	14,994,780
Funded debt	22,000,000	22,000,000
Capital stock	2,901,852	2,901,117
Earned surplus	9,231,113	....
Contrib. surplus	340,545	332,280

†After deprec. of 7,302,000

*Incl. construction in progress.

Working capital	1,649,363	▲7,170,129

▲Excess of curr. liabs. over curr. assets.

Note—Contingent liability as at Dec. 31, 1958, re housing project amounted to $1,857,000.

Financial

FOREIGN POWER SECURITIES CORP., Montreal, net profit of $83,376 for the year ended Oct. 31, 1958, was 24.7% higher than previous fiscal year's $69,264.

Aggregate profits less losses of subsidiary companies have been included only to the extent of dividends received.

INCOME ACCOUNT

Years Ended Oct. 31:	1958	1957
Net earnings	$86,976	$71,664
Less: Income taxes	600	2,400
Net profit & surplus	86,376	69,264
Earnings per Share and Dividend Record:		
Common	$0.16	$0.13
Paid	nil	4stk.

49 shares for each share held.

Shares o/s as at Oct. 31:		
Common, n.p.v.	550,000	550,000

CONDENSED BALANCE SHEET

As at Oct. 31:	1958	1957
Cash	$23,031	$146,658
Invests. at cost	2,203,093	2,480,078
Other invests.	2,228,463	1,630,367
Accr. interest	....	10,826
Total assets	4,456,587	4,297,929
Inc. taxes	896	2,400
Accts pay. & accr.	11,319	1,266
Total curr. liab.	12,215	3,666
Capital stock	2,875,000	42,875,000
Capital surplus	‡1,303,687	‡1,239,954
Earned surplus	265,685	179,309
†Mkt. value	2,266,800	2,003,500

‡During year, $2,000,000 transferred from capital surplus to capital stock and distributed in form of stock divd. of 495,000 shs.

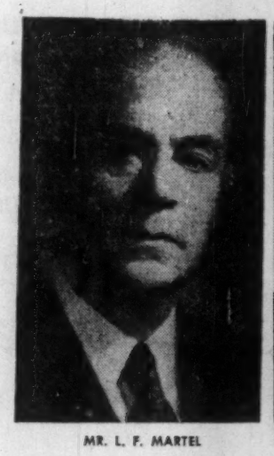
‡Increased by $63,733 profit on sale of investments in 1958.

Advances and Declines

Week Ended	TORONTO Ups	Downs	No Change	MONTREAL Ups	Downs	No Change
Dec. 26	310	290	194	82	106	110
Jan. 2	597	146	134	183	72	108
Jan. 9	470	303	161	183	121	93
Jan. 16	487	287	135	181	107	132
Jan. 23	331	348	184	144	131	151
Jan. 30	374	386	168	140	161	124

ANNOUNCEMENT

SAVINGS AND INVESTMENT CORPORATION



MR. L. F. MARTEL

MR. J. PAUL TARDIF

MR. F. SIMARD

The Board of directors of Savings and Investment Corporation (Corporation de Prêt et Revenu) takes pleasure in announcing the following executive appointments:

Mr. L. F. Martel, successively Vice-President in 1928 and President since 1946, has been elected Chairman of the Board of Directors.

Mr. J. Paul Tardif has been elected President. Mr. Tardif entered the company in 1947 as director and treasurer. In 1949, he became assistant General Manager and in 1951 was appointed General Manager. He is also president of Savings and Investment Corporation Mutual Fund of Canada Ltd. since 1956 and director of the Provident Assurance Company.

Mr. F. Simard has been elected director. He is also President of Simard & Frères Co. Ltd. and director of a number of prominent Canadian Companies including the General Trust of Canada, La Solidarité Life Insurance Company and Merrill Island Mining Corporation.

Canadian Auto Production

	Week Ending Jan. 31	Same Week 1958	Year To Date 1959	Year To Date 1958	% Change To Date
CARS					
General Motors:					
Buick	335	355	1,645	1,683	
Chevrolet	2,141	1,969	9,567	7,861	
Oldsmobile	468	322	2,052	1,321	
Pontiac	1,152	1,058	5,588	5,018	
	4,096	3,704	18,852	15,883	+18.7
Ford:					
Edsel	66	16	253	113	
Ford	972	1,041	3,937	4,086	
Mercury	263	92	732	432	
Meteor	604	342	2,110	1,558	
Monarch	127	...	570	...	
	2,032	1,491	7,603	6,189	+22.8
Chrysler:					
Chrysler	*	89	421	354	
Desoto	*	31	90	129	
Dodge	*	733	1,201	2,737	
Plymouth	*	771	928	2,678	
	-	1,624	2,640	5,898	—55.2
Studebaker-Packard:					
Studebaker	160	80	672	265	+15.3
Total cars	6,288	6,899	29,767	28,235	+5.4
TRUCKS					
General Motors	749	525	3,296	2,390	
Ford	371	447	1,074	1,166	
Chrysler	30	140	386	529	
International	203	236	267	777	
Total trucks	1,353	1,348	5,023	4,862	+3.3
Total cars, trucks	7,641	8,247	34,790	33,097	+5.1

Source: Canadian Automobile Chamber of Commerce.

*No production due to strike not settled until Jan. 28.

shares of **Consolidated Discovery Yellowknife** and participations in Alberta oil acreage.

INCOME ACCOUNT*

Year Ended Oct. 31:	1958
Operating revenue	$2,620,363
Add: Other income	10,200
Total revenue	2,630,563
Less: Oper. exps.	1,752,659
Operating profit	877,904
Less: Depreciation	460,966
Taxes	10,000
Def. dev. w/o	336,500
Net profit & surplus	70,438

*Commercial production started Nov. 1, 1957. Proceeds of $653,223 from t

DIVIDEND NOTICES

SWITSON INDUSTRIES LIMITED

DIVIDEND NOTICE

Consecutive Dividend No. 24

Notice is hereby given that the regular quarterly dividend of 7c per share has been declared on the common shares of the Company to be payable on Tuesday, March 31st, to shareholders of record at the close of business on Friday, March 13th, 1959.

By Order of the Board.

W. T. GUNNING,
Secretary.

Welland, Ontario.
January 28, 1959.

Northern Quebec Power Company Limited

At a Directors' Meeting of Northern Quebec Power Company Limited on January 27, 1959, the following dividends were declared:

Dividend (No. 20) of 68 cents per share on the 5½% First Preferred shares for the quarter ending March 15, 1959, payable March 16, 1959, to shareholders of record February 25, 1959.

Dividend (No. 20) of $1.50 per share on the 6% Second Preferred shares for the quarter ending March 15, 1959, payable March 16, 1959, to shareholders of record February 25, 1959.

Dividend (No. 205) of 40 cents per share on the no par value Common Shares for the quarter ending March 31, 1959, payable April 24, 1959, to shareholders of record March 31, 1959.

W. G. E. LANNAMAN,
Secretary-Treasurer.

Montreal, January 27, 1959.

MCINTYRE PORCUPINE MINES LIMITED

DIVIDEND NO. 181

Notice is hereby given that a dividend of fifty cents (50c) per share in Canadian currency will be paid on March 2nd, 1959 to shareholders of record at the close of business February 2nd, 1959.

By Order of the Board.

F. T. McKINNEY,
Secretary.

Dated at Toronto, Jan. 26th, 1959.

ROBINSON, LITTLE & COMPANY, LIMITED

WINNIPEG — MANITOBA

DIVIDEND—CLASS "A" NO. 49

NOTICE IS HEREBY GIVEN that a dividend of Twenty-five (25) cents a share has been declared on the Class "A" stock of the Company payable on the 28th February, 1959, to shareholders of record at the close of business on the 14th February, 1959.

By Order of the Board,

JACK L. MacDONALD,
Secretary-Treasurer.

Winnipeg, Manitoba,
26th January, 1959.

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

DIVIDEND NOTICE — 5½% SERIES

Notice is hereby given that a quarterly dividend of Twenty-eight (28c) Cents per share on the Cumulative Redeemable Preference Shares 5½% Series of the par value of $20.00 each of the Company will be paid on the 2nd day of March, A.D. 1959, to all Shareholders of record at the close of business on the 13th day of February, A.D. 1959.

DATED at Calgary, Alberta, this 27th day of January, A.D. 1959.

By Order of the Board,

H. S. GREENWAY,
Secretary.

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

DIVIDEND NOTICE— 4% SERIES

NOTICE is hereby given that a quarterly dividend of Twenty Cents (20c) per share on the Cumulative Redeemable Preference Shares 4% Series of the par value of $20.00 each of the Company will be paid on the 2nd day of March, A. D. 1959, to all shareholders of record at the close of business on the 13th day of February, A. D. 1959.

DATED at Calgary, Alberta, this 27th day of January, A. D. 1959.

By Order of the Board,
H. S. GREENWAY
Secretary

TO THE COMMON SHAREHOLDERS OF DOMINION DAIRIES LIMITED OF RECORD AT THE CLOSE OF BUSINESS ON DECEMBER 30, 1958

On January 15th, 1959 there were mailed to all Common Shareholders of Dominion Dairies Limited, of record at the close of business on December 30th, 1958, warrants evidencing rights to subscribe at any time up to the close of business on February 16th, 1959 for additional Common Shares of Dominion Dairies Limited, at a price of $5.00 per share on the basis of one share for each three Common Shares held on said record date.

If you have not received your warrants either due to failure to notify the company of a change in your address or for any other reason, you should communicate immediately with the Transfer Agent of the company, Montreal Trust Company, 511 Place d'Armes, Montreal, in order that such warrants may be forwarded to you.

As mentioned above, the rights represented by such warrants must be exercised ON OR BEFORE the close of business on February 16th, 1959 as they are not valid after that date.

DIVIDEND NOTICES

DONOHUE BROTHERS LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of $0.15 per share has been declared on the outstanding ordinary shares of the Company for the quarter ending February 28, 1959.

The said dividend will be payable on March 2nd, 1959, to shareholders on record as at the close of business on February 16, 1959.

By Order of the Board.

A. EMILE BEAUVAIS, C.A.,
Vice-President and Secretary.

SUPERCRETE LTD.

ST. BONIFACE, MAN.

NOTICE OF DIVIDEND

Notice is hereby given that the Board of Directors has declared a stock dividend at the rate of two (2) fully paid and non-assessable Common Shares of the Capital Stock of the Company of the par value of twenty-five (25c) cents each on every one hundred (100) outstanding Common Shares of the Company.

The said 2% stock dividend is allotted pro rata to the holders of Common Shares of record at the close of business on the 2nd day of February, 1959, and the shares so issued shall carry a date not later than the 20th day of February, 1959.

F. R. DUNSMORE, C.A.,
Secretary-Treasurer.

DIVIDEND NO. 77

Hudson Bay Mining and Smelting Co., Limited

A Dividend of seventy-five cents ($.75) (Canadian) per share has been declared on the Capital Stock of this Company, payable March 16, 1959, to shareholders of record at the close of business on February 13, 1959.

J. F. McCARTHY, *Treasurer.*

POWELL RIVER COMPANY LIMITED

NOTICE OF DIVIDEND NO. 57A

At a meeting of the Board of Directors held on the 28th January, 1959, a quarterly dividend of thirty cents (30c) per share was declared payable on the issued shares of the Company in Canadian Funds on the 16th March, 1959, to shareholders of record as of the 13th February, 1959, and to holders of share warrants.

Said dividends will be paid at par in respect of the shares specified in any bearer share warrant of the Company upon presentation and delivery of Coupon No. 57A, on or after 16th March, 1959 at any branch of the Bank of Montreal in Canada (far northern points excepted) or at the offices of Agency, Bank of Montreal, New York or Bank of Montreal (San Francisco), San Francisco, or at the First National Bank of Chicago, Chicago.

By Order of the Board.

J. A. Kyles,
Secretary.

Vancouver 2, B.C.
January 28, 1959

KELLY, DOUGLAS & COMPANY, LIMITED

VANCOUVER, B.C.

NOTICE IS HEREBY GIVEN that the Board of Directors has declared a dividend of 6¼¢ per share for the quarter ended February 28th on all Cumulative Participating Class "A" Shares, payable to shareholders of record at close of business February 13th, 1959. Transfer books will not be closed.

By order of the Board

A. H. Pinkham, C.A.
Secretary-Treasurer.

Dated at Vancouver, B.C.
this 31st day of Jan., 1959.

Market Bid and Ask Quotations

Montreal & Toronto

Feb. 3, 1959

	Bid	Ask
Abitibi	39½	39¾
Do p	22½	23¾
Ac-Atl	10½	11¾
Do A	21¼	21½
Do p	94	96
xAc Ur	8	8¼
xAcme	20½	21
Admi	16¼	17
xAdvoc	350	355
Ag-S	14½	15
Do p	91	10
xAgnico	58	58
xAjax	94	95
xAkaite	46	49
xAlba	10	11½
xAlta D	295	300
Do vt	230	240
Alt Gas	23½	24
xAP Con	48	52
Algom	18¾	14¾
Alg deb	99½	100
Do w	370	385
Alg C vt	20¾	20¾
Algma	37¾	38
xAll R	36	40
Alumi	30¼	30½
Do 1 p	21½	22
Do 2 p	43¾	44¾
xA-Lar	31	32
xA Rare	18	18
xAm L	19	20
xA Nep	86	89
xAmur	300	410
xAnac	109	110
xAnalog	8¾	8¾
xAnch	30½	22
Ang Am	950	..
A Pip p	32	52½
Ang-C Tel	43	..
Ang Hu	14	14½
xAng R	30	31½
xAnsi	46	46½
Anthes	42¾	43
Do B 1p	96½	96½
xApex	4½	5
xArcad	20	22
Do w	8	10
xArcan	165	170
xArea	105	110
Argus	37¾	37½
Do 240p	82¾	84½
Do 250p	47½	48
xArjon	13¾	14
xAsama	195	198
Ash	11¼	13¾
Do B	13¾	14
xAsh T	3	5½
Do A	92	95
Do B	8¾	9½
xA A w	475	600
Atl A	5¾	6¼
Do p	14½	16
Atlas	29	29½
xAt -Yk	10½	11
xAt-Ruf	19	19½
xAubel	6¼	8
xAumac	16	16½
xAumaq	14½	15
xAunor	270	274
Aut Ei	18	19
Do A	12	..
Aut F A	7	7¾
Do B	250	260
xAvilla	7	7½
xBly SA	10	10¼
Do p	24½	25
Do 5½	23¾	23¾
xBanff	18½	19½
xBnkno	22½	23
xBnkfld	9	10
Bk Mtl	53	53½
Bk NS	66	66½
Do rts	530	535
Bang Can	58½	58¾
Barb-E	53¼	..
xBrclna	430	495
xBarnat	159	161
xBarvu	13	14
xBary E	67	70
Basc O&G	67	68
xBase M	21	22
xBaska	18	19
xBata	6¼	7
Ba In	6¼	7¼
Bath A	51	51½
Do B	33¾	33¾
xB-Duq	23	24
xBeatty	6¼	6¾
xBeav L	17	18
B Lum	29	29½
Do A	18½	18½
Do pr	27½	28
xBelch	116	118
xBellet	160	169
xBthim	103	105
xBeven	16	16½
xBibis	16	16¾
xBicrft	97	99
Do w	3	4
xBidcop	17	17¾
Bilt	7½	9
Do p	12¾	13½
xBl Bay	20	22
Bl Rib	12½	13
Do p	50	53
xBonvill	6¼	7¼
xBordul	8	9
xBouzn	62	64
Bowat	6¾	6¾
Do p	44¼	44¼
Do 5½ p	50	..
Bowes	19½	..
xBoymr	12	12¾
xBrirn	765	770
xBraisa	75	76
Br C A	23¾	..
Do B	23¾	..
Brazil	6	6¼
Do p	93	..
Br T	23	24
Do p	47½	48
Do w	12¾	..
Bright	45	47
Do p	20	21
xBritalt	295	299
BA Oil	43¾	44
BCE	75	76
Do 4½ p	39½	39½
Do 4½ p	41¾	41¾
Do 4½ p	87½	88
Do 5 p	46½	47
Do 5½ p	49½	50
BC For	14½	15
BC P A	15½	16
Do B	15½	15¾
BC Pow	39	39½
BC Phone	41½	41¾
Do rts	175	180
xBr Reef	53	54
Brown	14	14¼
Bruck A	91	94
Do B	240	240
xBrnhrst	6	7½
xBrnsmn	6½	7
xBrnsk	345	350
xBufad	16½	17
Do A	145	152
Do RL	8	8½
Bld Prd	38	38½
Bull A	6¼	6½
Do B	5¼	6
Bunh H	9	9½
Burlton	18	18½
Burns	122	122
Burr A	7½	7½
xCable	20	21
xCdmet	29	30
xCalalt	107	108
Cald 1 p	211	24½
Cal Ed	32½	33½
Cal Pow	86½	88
Do 5 p	100	100
xCalv C	380	420
xC Chib	870	885
xC Red L	11½	11¾
Canada		
xC Bd	490	500
Do B	55½	..
C Cem	34½	35
Do p	27½	28½
CCC St	14	14
C Foil	18	23
Do A	22½	24
C Fnd A	25	30
C Fnd	10½	..
Cl Fnd	37½	37½
Do 4½	99½	100
C Life	216	218
C Mach	10	15
C Malt	71½	73
Do p	25½	25½
xC O Lds	200	205
Do w	90	100
C P A	53¼	55¼
Do B	50¼	51¼
C Perm	62¼	..
C Saf 4p	89	89½
xCSO w	64	65
xCS Pet	305	315
CSL	40	41
Do p	11½	12
C Wre A	100	..
Do B	15¼	15½
Canadian		
xC Ast	10	10½
C Baks	8¼	10
C Bnk	55¼	55½
Do rts	475	480
C Brr	39	39½
Do p	38¼	40
CB Al	13	13
Do w	555	565
Do Bw	400	435
C Can A	14¼	14½
C Cel	18½	19
C C $1	17¼	17½
Do $175	32	33
C Chem	8¼	9
xC Chief	140	150
C Coll	5¼	5¾
Do p	75	78
C Conver	250	325
Do-B	400	..
xC Curt	360	365
xC Dev	575	580
C Dm S	13	14
Do p	11	12
C Drdg	29	29½
xC Dyno	58	61
C Engle	7¼	7¼
Do B	7¼	7½
xCE Gas	275	280
C Fbks	25	25½
Do p	108	120
xCF Pr	275	280
Do A	7	7½
C Fndg	50½	50½
CGE	700	1100
CG S A	18	18
Do B	18	19
xC High	47	48
xC Home	174	176
C Husky	12¾	13¼
C Ind	750	790
C Hyd C	8¼	8¾
C I Ma	7	9½
Do A	12½	..
CIL	161	161
Do pr	78½	84
C Int Pwr	22	22½
Do pfd	46½	47
C Loco	14	14
xC Mal	71	72
xC N In	38	39
C NW	65	67
C Oil	29½	29¾
Do p	148	153½
Do w	555	565
Do Bw	400	435
C Can A	14¼	14½
C Cel	18½	19
C C $1	17¼	17½
Do $175	32	33
C Chem	8¼	9
xC Chief	140	150
C Coll	5¼	5¾
Do p	75	78
C Conver	250	325
Do-B	400	..
xC Curt	360	365
xC Dev	575	580
C Dm S	13	14
Do p	11	12
C Drdg	29	29½
xC Dyno	58	61
C Engle	7¼	7¼
Do B	7¼	7½
xCE Gas	275	280
C Fbks	25	25½
Do p	108	120
xCF Pr	275	280
Do A	7	7½
C Fnd A	25	30
C Fnd	10½	..
Cl Fnd	37½	37½
Do 4½	99½	100
C Life	216	218
C Mach	10	15
C Malt	71½	73
Do p	25½	25½
xC O Lds	200	205
Do w	90	100
C P A	53¼	55¼
Do B	50¼	51¼
C Perm	62¼	..
C Saf 4p	89	89½
xCSO w	64	65
xCS Pet	305	315
CSL	40	41
Do p	11½	12
C Wre A	100	..
Do B	15¼	15½
C Cyanide	1.00	1.05
C Dredge	1.00	1.05
C Explor	1.00	1.05
C Gen Ins	1.00	1.05
C Gen Mtg	1.00	1.05
C Invest	1.00	1.05
C Mortg	1.00	1.05
C Permt	1.00	1.05
C Real	1.00	1.05
C Steam	1.00	1.05
C Textile	1.00	1.05
C Util	1.00	1.05
Cdn Wire	1.00	1.05
Cdn Wool	1.00	1.05
Cassiar	1.00	1.05
Cassidy

THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 39

Industrial Stocks

WEEK ENDING JANUARY 30, 1959

Range 1958-59 High	Range 1958-59 Low	Div. Y'ld R'teJan30 $	Div. Y'ld R'teJan30 %	Company	Sales	Last Jan. 23	Week end. Jan. 30 High	Week end. Jan. 30 Low	Close or Latest
.63	.36			Abitca Lumber	21700	.52	.54	.50	.50
39½	34⅜	1.70	4.3	Abitibi	12209	37¾	39½	37¾	39½
25	23	1.12½	4.7	Do. 4½% pref.	840	23½	23¾	23¼	23¾
11½	8⅝	1.27½		Acadia Atlan.	550	11	11	11	11
100	92	5.00	5.3	Do. 5% pref.	25	95	95	95	95
22	19	1.20	5.9	Do. (A)	187	20¾	21	20½	20½
17¾	17¾			Admiral	nil			B17½	A17¾ 17¾
15	8⅛	.60	4.1	Agnew Surp.	370	15	14¾	13¼	14½
10¼	8½	44.13½		Do. pref.	100	10	10¼	10¼	10¼
4.60	3.75			Alaska Yu. Pipe	4900	4.50	4.00	3.75	4.00
1.90	1.30			Alaska Y. Refin.	4900	1.50	1.55	1.45	1.55
15	13			Do. pref.	25	14	13	13	13
2.20	1.30			Albt. Dist.	33827	2.75	2.95	2.75	2.90
2.50	1.10			Do. V.T.	21813	2.45	2.40	1.90	2.35
24.25	12.25			Albt. Gas Tr.	28093	23.50	24.25	23.38	23.75
23¾	18½			Algoma Cen. VT	844	20¼	20¾	20¼	20¾
29½	21¾	1.00	2.6	Algoma Steel	11820	37½	38½	36¾	38½
36⅝	25	.70	2.4	Aluminium	34155	30¼	30½	29¼	29¼
23⅝	20¾	1.00	4.8	Alum of Can 1 p	1094	21½	22	21¼	21¾
49½	42¼	2.25	5.2	Do. 2nd pref.	4520	42½	44	43½	43⅝
9.37½	2.10			Analogue	9050	8.75	8.75	8.00	8.75
6	4	*.30		Andian Nat.	600	5¼	5½	5	5
21½	20	*.50		Anglo. Can. Oils (Brandon)	nil			B18½	21
40	25	2.00	5.1	Ang. Cdn. Pulp	1400	40	40	39	39½
53½	46	2.80	5.8	Do. pref.	175	51	52	50¾	52
44	38	2.25	5.2	Ang. Can. Tel. p	nil		B43		43
8½	8	1.05		Ang. Nfld.	7000	7¾	7¾	7¼	7¾
		*1.50		Angl-Scand. Inv.	nil				
45	20¼	1.40	3.2	Anthes Imp.	1779	43½	45	42	44⅞
97½	96¾			Do. 5½% pref.	170		97½	96¾	96¾
1.80	.25			Arcan Corp.	4695	1.60	1.75	1.60	1.75
36	14	1.00	2.8	Argus	10226	33½	36	33⅜	35½
79½	43½	2.40	3.1	Do. A pref.	1245	74¼	79¼	75	77¼
48½	41	2.50	5.3	Do. B pref.	245	46	47¼	46	47
		1.00		Aro Equip.	nil				35
36¾	27¾	*1.05	+2.70	Asbestos	26547	34½	35	34¼	34¾
8.75	2.00	*.20		Ash Temple	1654	5.00	5.00	5.00	5.00
195	189	6.00	6.3	Do. (A)	10	195	195	195	195
9	8½	.65	7.4	Do. (B)	nil		B8¾	A8¾	8¾
12½	12	.60	4.8	Ashdown Hd. A	nil		B11¼	A13½	12½
14	10½	.72	5.3	Do. (B)	255	14	14	13½	13½
6.80	3.90			Assoc. Artists W	104	5.10	5.50	4.75	4.75
	4.00		+.2.00	Assoc. T&T pf.	nil				101
	8			Atlas Accept.	907	5¼	6½	5¼	6½
18	14½	1.10	7.3	Do. pref.	nil		B14¾	A16	15
29	15⅜	1.00	3.5	Atlas Steels	12015	27¼	29	28	28¾
28½	13½	*.85	+2.25	Auto Electric	95	19	19	18	18
19¾	10¼	.80	4.5	Do. (A)	nil		B12		10¼
8.00	2.25			Auto Fabric A	nil		B7.25	A7.62½	8.00
3.50	.90			Do. (B)	nil		B2.50	A2.60	2.50

B

61½	37	2.40	+1.30	Bk. Can. Nat.	2115	57½	58	57	57
56¾	38¼	1.60	+1.20	Bk. Montreal	9858	53½	54	52¾	53¼
74	51	2.00	+1.20	Bk. N. Scotia	2324	66¾	66¾	65¾	66½
6.10	4.50			Do. Rights	14130	5.25	5.30	5.20	5.20
5.30	3.50	1.80	+1.20	Bk. Provincial	2062	36	36	35¼	35¼
5.15	4.15			Do. Rights	8155	4.65	4.70	4.40	4.40
		3.20	+2.10	Barber-Ellis	nil				
		3.50		Do. pref.	nil				
				Barcelona	nil			B4.50	A4.95 4.35
4.75	3.50			Bates & Innes A	nil			B3.65½	A75 6%
9½	6½	.50		Bathurst Pr. A	884	50½	51	49¾	50
51	33½	2.00	4.0	Bathurst Pr. B	2258	32	33½	32½	33
35⅞	13	.75		Do. (B)	505	6.50	6.75	6.37½	6.75
7.00	3.50	1.10		Beatty Bros.	1400	29½	29½	29	29
30	17½	1.00	+1.25	Beaver Lumber	650	18½	19	18½	18½
18⅝	17¼	1.00	5.4	Do. (A)	65		B27	A28	27½
29	23	1.40	5.1	Do. pref.	nil		B78	A10	8
9⅞	6			Belding Cort.	nil		B11	A12½	11½
11½	9½	.70	6.1	Do. pref.	nil		B6⅜		10½
6¼	6			Belgium Stores	nil		B13		13¼
				Do. pref.	nil		B25½	A30	20½
42¾	39¼	2.00	4.8	Bell Telephone	26173	42	42	41½	41½
8	6¼	.40	5.7	Bellmore Hats	215	8	7¾	7¾	7¾
14	10½	1.00	7.3	Do. A pref.	100	13¼	13¾	13¾	13¾
50	50	2.40	+1.40	Bird Constr.	nil		B47		48½
	110			Blue Ribbon	nil		B112½		112½
50	34	2.50	+12.50	Do. pref.	12	50	50	50	50
6.37½	3.50	12½		Bowater Paper	4343	6.25	6.25	6.12½	6.25
91	44	2.50		Bowater NA 5%p	850	44	45	44	44
50½	42¼	2.75	5.6	Do. 5½% pref.	430	50	50	49½	49½
17¾	15½	1.00	+1.50	Bowes, Ltd.	nil		B19¼		17¾
9¾	8¼	.50	6.9	Boyles A	nil		B8¾	A8¾	8¾
6½	5¼			Do. (B)	nil		B5	A6	5¼
23¼	16½	.75		Brant. Cord. A	nil		B23½		20
23½	23½			Do. (B)	nil		B23½		23
7⅝	5¾	.25		Brazilian Tr.	13083	6¼	6¼	6	6¼
91	91	6.00	6.7	Do. pref.	25	89½	90	89	89
25	19½	1.20	4.9	Bridge & Tank	1135	23¼	25	23	24½
48	46½	2.90	6.1	Do. pref.	205	47	47¼	47	47½
12¾	10¼			Do. Warr.	1189	12¾	12¾	12¼	12¾
20	17¾	1.00	2.0	Bright, T. G.	425	20	20	20	20
23½	20	1.15	5.8	Do. 5% pref.	nil		B20¼		20
47¾	27½	*1.45	+2.70	Br. Am. Bk. N's	nil		B46¾	A49	46½
45	33¾	1.00	2.3	Brit. Amer. Oil	38866	43	44	43	43¾
81½	75¾	4.00	5.3	B.C. Elec. 4% pf.	55	76	76½	76	76
33	23	2.12½	5.4	Do. 4¼% pref.	715	39	39¼	38¾	39
39¾	29¼	2.25	5.7	Do. 4½% pref.	190	41¼	41¾	41	41¾
97	86	4.75	5.5	Do. 4¾% pref.	200	87½	88	86	87½
51	44¼	2.50	5.3	Do. 5% pref.	615	46	47	46	47
53	47	2.75	5.5	Do. 5½% pref.	885	50	50	49½	49¾
1.10	.85			B.C. Forest	7100	13¾	13¾	13¼	13¾
17¼	12	.75	4.7	B.C. Packers A	410	16½	16½	16	16
19.1	17	1.50		Do. (B)	305	17	17	16	16
43¼	35¼	1.40	3.7	B.C. Power	11615	40½	40	38	38½
45	38½	2.00	5.0	B.C. Tele.	7847	40½	41	40	40¼
2.00	1.50			Do. Rights	36920	1.70	1.70	1.50	1.60
.90	.85			B.C. Turf	800	.88	.90	.90	.90
14½	9¼			Brown Co.	4110	14¾	14¾	13¾	13¾
10	4½			Bruck S. Mills A	365	9	10	9	11
3.00	1.75			Do. (B)	nil		B2.75	A3.25	2.25
8.00	2.25			Build. Prod.	1820	39	39	38	38
7	5¼	.50	7.8	Bulloch's A	100	6½	6½	6¾	6¾
5¾	5¾	.35	6.1	Do. (B)	nil		B5½	A6	5¾
19¼	11¼	.60	+1.25	Burlington Steel	435	19	18¼	18¼	18¼
13	10¼	.60	+.10	Burns & Co.	2626	12¾	12¾	12½	12¾
8	6¾	.65	8.1	Burrard' D.D. A	565	7¼	8	7¾	8
2.00	1.50			Butterfly Hos.	325	2.00	2.00	2.00	2.00

C

23	23	1.50	7.0	Caldwell Lin 1 p	nil		B21½	A24½	121½
				Do. 2nd pref.	nil				13
65	62½	2.00	2.3	Calgary Pwr.	3345	62	65½	62¼	63½
105½	97	5.00	5.0	Do. 5% pref.	20	99½	100	100	100
				Canada					
5.00	3.25	10	2.1	Canada Bread	410	5.00	4.90	4.80	4.80
55	45	2.50	4.6	Do. pref. B	nil		B55½		54½
34	24½	1.00	2.9	Canada Cement	6297	33½	34¾	33¼	34¾
29	26	1.30	4.6	Do. pref.	660	27½	28½	27½	28½
14	6	*.20		Can. Cr. Stone	415	13	13	13	14
27½	20½	1.20	4.7	C. & D. Sugar	1965	26½	26¾	25½	25¾
11	10	1.00	6.9	Can. Flour	nil		B14	A15½	14
29	15	.60	+1.20	Can. Foils	nil		B18	A23	17¾
23	17½	.60	+1.40	Do. (A)	nil		B22½	A24	22
12½	12½	*.37½		Can. Forg.	nil		B10¼		12½
26	26	1.50	7.3	Do. (A)	nil		B25½	A30	120½
37½	25	1.50	4.1	Can. Iron	1480	37½	37¾	36¾	37
101¼	85	4.25	4.3	Do. 4¼% pref.	505	99½	100	99	100
216	124	4.60	2.1	Can. Life	325	216	216	216	216
15	12			Can. Machine	nil		B10	A15	15
73	50¾	2.00	2.8	Can. Malting	440	73	72½	71¾	72½
25	24	1.17	4.7	Do. 4½% pref.	1050	25½	25½	24¾	25¼
57	35	1.75	3.3	Can. Packers A.	270	55	56	53	53
54	34	1.75	3.4	Do. B	3090	52½	52½	51¼	52
61	45	2.40	4.8	Can. Perm. Mtg.	545	60½	61¼	60½	61½
91	88	4.40	4.9	Can. Safeway pf.	40	90	89	89	89
43½	30¾	*1.40		Can. Steamships	1105	41¾	42¾	39¼	40
13¼	11	62½	5.4	Do. pref.	2258	12¼	12¼	11½	11½
28	20½	1.00	+1.35	Can. Vinegars	nil		B28		28
	9½			Can. W. Cord. A	nil				
		4.00		Can. W. Cable A	nil		B100		43
17¼	12½	.80	5.2	Do. B	245	15¾	15½	15	15½
				Canadian					
15	9	*3.00	+1.=	Canadian Arena	nil				1160
	5¼			Cdn. Bakeries	nil			B8½	A9 9
67¾	40¼	1.60	+.20	Cdn. Bk. Com.	6859	55½	56	55½	53½
4.95	4.40			Do. rights	25430	4.75	4.80	4.70	4.75
39¼	25	1.50	3.9	Cdn. Breweries	11387	39	39	37½	38¼
38¾	25⅝	1.25	3.2	Do. pfd.	610	38½	38¾	38¼	38¾
16	8			Cdn. Bk. Al. A	973	12	15	12¼	12¾
6.50	2.80			Do. warr. A	2195	5.30	5.60	5.25	5.25
5.00	3.25			Do. warr. B	1705	4.50	4.50	4.20	4.20
27	20	1.00	8.0	Cdn. Bronze	285	25	25	24½	25
98	95	5.00	5.3	Do. pref.	nil				95
15½	13	.75	5.3	Cdn. Canners A	2910	14¼	14½	14½	14¼
20	13	.80	+.10	Cdn. Celanese	2982	18¾	18¾	18¼	18⅝
33	28½	1.75	5.5	Do. $1.75 pref.	302	32½	32½	32	32
18½	15¾	1.00	5.6	Do. $1.00 pref.	325	18	18	18	18
9.75	4.75			Cdn. Chem.	6320	9.50	9.62½	9.25	9.25
6.50	4.00			Cdn. Collieries	26625	5.25	6.25	5.12½	5.62½
.80	.64	.05	6.7	Do. pref.	16345	.80	.80	.75	.75
5	4¼			Cdn. Consol. A	100	3.00	3.00	3.00	3.00
4¼	4			Do. B	nil		B4		14
11¼	5			Cdn. Cottons	nil		B9¼		9¾
10½	5			Do. pref.	650	10½	10½	9¼	10½
4.10	1.35			Cdn. Curtiss W.	92488	3.85	4.10	3.80	3.90
14	8¾	*.40		Cdn. Drawn Stl.	50	12½	14	13	13
11½	9¼	.60	+1.=	Do. pref.	110	11¼	11½	11½	11½
28¾	15	*1.15		Cdn. Dredge	2095	28	28	26½	27¼
8¾	6¾	2s 3d	5.5	Cdn. Eagle Oil	nil		B7½	A7½	7¾
8¾	6¾			Cdn. Eagle Bear	nil		B7½	A7½	7½
29¼	15	1.60	+2.10	Cdn. Fairb.	1002	23	25	25	25
21	105½	6.00	5.7	Do. pref.	nil		B108	A120	105½
3.80	2.50			Cdn. Food Prod.	100	2.75	2.80	2.80	2.80
	1.20			Do. A	92	7	7	7	7
58	37			Do. 4½% pref.	130	51	50½	50	50
1748	1695	8.00	+14.00	Cdn. Gen. Elec.	nil		B770	A1100	1748
34½	28	1.20	+1.15	Cdn. G. Inv.	434	135	34½	34	34
20½	16	1.00	+.=	Cdn. G. Sec. A	100	18	18	17	18
21	15½	1.00	+.=	Do. B	200	19½	17½	17½	17½
9¼	8¼			Cdn. Hydrocarb.	5862	8½	8¾	8¼	8½
17½	15½	*.10		Cdn. Ice Mach.	nil		B7	A9¾	17
12½	10½	.80	6.3	Do. A	nil		B12½		12½
18	15	1.20		Cdn. Indust.	4819	16½	16¾	15½	15¾
85	78	3.75	4.8	Do. pref.	255	78½	78½	78	78½
55	41	*2.50		Cdn. Ingersoll R.	260	46	47	47	47
19	13	*.85		Cdn. Int. I. Tr.	nil			A25	19
84	78½	5.00	6.1	Do. pref.	nil		B82		82
27	16			Cdn. Int. Pwr.	1456	22	22½	22	22
48	45¼	3.00	6.4	Do. pref.	1465	47	47¼	46¾	47
15	10	1.50		Cdn. Locomo.	nil		B13¾	A14	14
6.25	1.90			Cdn. Marconi	4395	6.00	6.25	5.37½	6.25
30½	23¾	.80	2.8	Cdn. Oil	7097	28¾	29	28	28½
83	82	4.00	5.2	Do. 4% pref.	nil		B78	A81	77
105¼	97½	5.00	5.0	Do. 5% pref.	60	100	100½	100	100½
160	150	8.00	5.2	Do. 8% pref.	nil		B148	A153½	153½
12.00	5.50			Cdn. Pacific	445	10.25	11.00	10.00	10.50
30½	20½	1.50	5.1	Cdn. Pacific	18914	30	30¼	29¾	29½
16¼	12	*		C. Petrofina pf.	1470	13¾	14	13	13
7	5	*.20		Cdn. P. & P. Sec.	900	6¼	7	6	6
1.80	1.25			Cdn. Propane	nil		B1.50	A1.70	1.75
30	20			Cdn. Salt	50	30	30	30	30
2.50	1.00			Cdn. Silk A	100	2.50	2.50	2.50	2.50
146¾	81	.60	+2.10	Cdn. Tire	135	142	140	140	140
		1.00	4.8	Do. pref.	nil		B21		21
100	92	5.00	5.2	Cdn. Utilities pf.	10	96½	98	93	96
85	77	4.25	5.5	Do. 4¼% pref.	25	77	77	77	77
30	21	1.25		Cdn. Vickers	535	23	24	23	23½
27	20	*.40		C. Wallpaper A	nil		B23	A23	23¾
27	19	*.40		Do. B	140				
17	14¾	.80	5.4	C.W. Gas 4½ p.	350	15			14¾
21½	19¾	1.10	5.5	Do. 5½% pfd.	105	21	21	20½	20½
87	44	1.00	1.9	C. Westinghouse	395	50½	52¼	50½	51½
1.18	1.10			Canarama	nil		B1.65	A1.25	1.15
2.15	2.10			Do. pref.	nil		B2.10	A2.40	2.15
.35	.30			Do. warr.	nil		B.30	A.75	.35
11.75	4.90	*3.30	+2.10	Capital Estates	3869	11.25	11.50	11.25	11.50
1.75	1.35			Carling Br. Alta.	800	1.53	1.75	1.53	1.74
1.30	1.25			Do. V.T.	nil				1.23

Range 1958-59 High	Range 1958-59 Low	Div. Y'ld R'teJan30 $	Div. Y'ld R'teJan30 %	Company	Sales	Last Jan. 23	Week end. Jan. 30 High	Week end. Jan. 30 Low	Close or Latest
13¼	11	.60	+1.30	J. B. Carter A	nil		B13¼	A14	13¼
30	30	*1.00		Do. B	nil		B32		32
44	29	.50	+1.80	Catelli Food A	1109	42	44	41	44
56	40	1.60	+1.50	Do. B	324	54½	56	56	56
34½	32¼	1.60	2.9	Cent. Can. Invest.	nil		B45	A47	34¼
198½	198	3.00		Do. pref.	nil		B98½	A103	198
59	50	1.60	2.7	Chart. Trust	39	58	59	59	59
21½	14½	1.00	4.9	Chateau-Gai	390	19¾	20¼	20	20¼
	55	43½	*.1.50	Chrysler Corp.	10	48	48½	48½	48½
55	43½	*.1.50		Cinzano A	nil		B1.15		1.10
1.10	1.00	192		Do. 5½% pref.	nil		B1.10		
2.00	2.00			Circle Bar Knit.	nil		B2.00	A2.00	2.00
4.00	3.00			Do. A	nil		B3.50	A4.50	3.50
	20½	16½	*	Cochrane-Dun.	nil		B20½	A22	121
14½	13	.80	5.5	Do. A	nil		B14¼	A17	14½
14⅝	7			Cockshutt Farm.	12070	13⅜	13¼	12¼	13
20	10	*		B. J. Coghlin	745	11	11	10½	10½
17¼	17⅛	.75	+1.25	Coll. Terminal	nil		B15		213¼
17	12	.75	+1.25	Do. pref.	nil		B16	A18	17
13	10	.60	5.2	Comb. Enter.	755	11½	11¾	11	11½
11¾	8	.60	5.2	Conduits Nat.	400	10¾	11	10¾	11
167	87	2.00	1.3	Conf. Life	15	158	130	148	130
164	153			Do. offered	nil		B163	A165	164
10¼	7	.50	5.6	Cons. Bakeries	430	8¾	9	8¾	9
1.00	.80			Cons. Div. Sec. A	nil		B.70	A1.00	.60
29	28	2.00	6.7	Do. pref.	nil		B30¼		30
3.25	2.00			Cons. Fire Ins.	nil		B1.80	A2.50	2.10
23⅜	16⅜	.80	+1.20	Cons. Min. & Sm.	17842	22	22½	21	21½
44½	28	1.50	+1.40	Cons. Paper	9225	43¼	44½	43	44
3.50	2.00			Cons. Textiles	300	2.25	2.35	2.25	2.25
114½	114½	1.00	6.9	Do. pref.	nil			A17	114½
37¼	29	.80	2.3	Consumers Gas	5416	35	35	34	34½
107⅝	102	5.50	5.4	Do. A pref.	130	105	105	102	102
34	23	1.50	4.5	Consumers Glass	20	33	33½	32½	33½
57⅜	57⅜	2.80		Cont. Can.	nil		B52¾	A52¾	57⅜
7⅝	4½	.30	+1.20	Copp Clark	235	6¾	7	6¾	7
20½	16¼	1.10	5.7	Corbys Vot.	870	19¼	19⅝	19¼	19⅜
20	16	1.10	5.9	Do. B N. Vot.	nil		B19	A19¼	18½
21¾	18			Coronation Mtg.	750		21½	21¾	21¾
13	10½	.70	+1.10	Cosmos Imp.	863		13	12½	12¾
3.00	2.35	.20	7.8	Craig Bit	nil		B2.55	A2.70	2.55
14¼	13½			Crain, R. L. new	5185	13¾	14	13½	13¾
5½	3¾			Credit Accept.	125	4½	4½	4	4½
4.90	4.25			Crestbrook Tim.	nil		B1.80	A1.90	1.85
20	15			Do. pref.	nil		B19¾	A21	120½
.80	.10			Do. warr.	3000	.23	.35	.35	.35
60	43	2.00	3.3	Crown Cork	nil		B56	A57	60
29	16½	.80	2.9	Crown Trust	100	28	29	28	28
58	42¼	1.80		Crown Zeller	nil		B54	A55¼	56
22½	19¼	1.00	4.6	Cr. Zell. (Can.) A	1095	21¾	22	21¼	21⅝
23½	14	.60	2.7	Crow's N. Coal	340	23½	23	22¼	22¼

D

85	80	7.00	8.2	Dalex Co. pref.	270	190	85	85	85
48½	43	3.00	6.7	David & Fre. A	105	48	45	44¼	44¾
4.35	3.15			Davis Leather	373	4.25	4.35	4.20	4.35
		15.00		Do. Havilland A	nil		B150	A250	190
34½	23¼	1.20	+1.50	Distill.-Seagram	10489	34½	34¾	33¾	34
		*10.00	+16.00	Dom. Ang. Inv.	nil		B480¼		455
97	93	5.00	5.=	Do. pref.	nil		B93		93
24	19¾	.80	+1.20	Dom. Bridge	12643	23	23½	22½	23
12	7¼			Dom. Coal pref.	125	8	7¼	7½	7½
21¼	13	1.00	4.7	Dom. Corset	320	21	21¼	21	21½
10	5¼			Dom. Dairies new	1243	7	7	5½	7
.85	.10			Do. rights	3738	.44	.55	.10	.50
26	17			Do. pref.	110	20	20	20	20
11	11	.50	1.5	Dom. Electro	6705	29½	34⅜	29¾	34
14	13¼			Do. warr.	4300	18¾	24	19	22½
22	17½	1.00	5.1	Dom. Engineer	300	20	19¾	19¾	19¾
10½	10	.60	4.6	Dom. Fabrics	nil		B2.00	A2.25	113
18¾	18½	1.50	8.0	Do. 2nd pref.	nil		B21		18¾
45	23¼	1.30		Dom. Fdry.	8708	42⅝	43⅞	42¾	43⅝
101½	97	4.50	4.4	Do. 4½% pref.	395	101	101½	101½	101½
91	60	2.00	+1.60	Dom. Glass	35	89	90	90	90
		.60	2.4	Dom. Electro	757	14½	15	14	15
92	85	5.00	5.6	Do. pref.	nil		B175		175
26	24¾	1.00	4.0	Do. C.C. pref.	nil		B25	A28	25
8	5½	.40	7.6	Dom. & Sask. A	nil		B5		5½
7	5⅞	*.40		Do. B	nil		B5	A6	5⅞
100	99	6.00	6.3	Dom. Sugar pref.	nil		B95	A96	195
22	20	1.20	5.3	M.L. Gardens	143	22	122½	22	122½
14½	7½	.50	3.7	Maple Leaf M.	3090	13	13½	12¾	13
96	63	5.00	5.3	Do. pref.	45	96	95½	95	95
13⅞	5⅞	.40	3.1	Massey-Ferg.	201068	12⅞

Mining Stocks

WEEK ENDING JANUARY 30, 1959.

Range 1958-59 High	Low	Company & Dividend ($)	Sales	Last Jan. 23	Week Ending Jan. 30 High	Low	Close or latest
.13	.05	Acadia Ur.	56500	.08	.08	.08	.08
.12	.05	Ace Astra	nil	...	B.07	A.09	.10
4.35	2.31	Advocate	17200	3.30	3.60	3.25	3.55
.42	.14	Agassiz	500	.40	.30	.30	.30
.70	.35	Agnico	32154	.56	.59	.55	.58
.75	.32	Akaitcho	12800	.49	.50	.47	.50
.15	.04	Alba	13700	.12½	.12	.10	.10½
18.62½	12.87½	Algom	21815	16.62½	16.75	15.87½	16.00
100.00	94.50	Do 5% debs.	280	99.75	99.50	99.50	99.50
7.35	3.10	Do. warr.	25265	5.50	5.60	4.85	4.85
.49	.12	Alscope	26100	.26	.25	.18	.23
.18	.04	Alta	92100	.12½	.18	.12½	.15½
.39	.10½	Amal. Lard.	50276	.29	.31	.28	.31
.66	.12	Amal. R.M.	19475	.16	.18	.15	.15
.11	.04	Amer'in	10000	.04½	.05	.05	.05
.91	.64	Am. Neph. .04	57016	.80	.91	.80	.89
.10	.05½	Amer. Stand.	nil	...	B.06	A.07	.07
1.15	.40	Anacon	511446	.77	1.15	.82	1.12
14.00	8.70	Anglo-Hur. .50	1700	13.00	14.00	12.87½	14.00
.42	.23	Anglo-Rou.	4000	.30	.30	.28	.30
.52	.12	Ansil	196334	.44½	.52	.42½	.52
.17	.06½	Anthonian	8000	.09	.10	.08½	.10
.32	.12	Arcadia	21350	.21	.22	.20	.20½
.13	.05	Do. warr.	2800	.07	.08	.07	.08
1.65	.54	Area	26800	1.10	1.15	1.06	1.10
.19½	.07	Arjon	23300	.14	.15	.13	.14
.68½	.63½	Arno	80	.04	1.02	1.02	1.02
.68½	.03	Atlas Sulp.	nil	...	B.05	A.08	.05
.15	.06	Atlas Yk.	6009	.13	.12	.11	.11
.23	.18	Atlin-Ruff.	26700	.19	.20	.18	.20
.68	.04	Aubelle	3800	.07½	.07½	.06½	.07
.66	.50	Augustus	51351	.58	.66	.57	.65
.18	.06	Auil	45500	.12	.11½	.10	.11
.21	.11	Aumacho	*40968	.17½	.17	.15	.15
.16	.06	Aumaque	28000	.12½	.13	.12	.13
2.84	1.93	Aunor .16	2801	2.72	2.74	2.67	2.70
.11	.05	Avillabona	10000	.07½	.08	.07½	.07½
B							
.38	.20	Baker Talc	24700	.29	.29	.26	.26
.07½	.03	Band Ore	3113	.07½	.07	.06½	.06½
.24½	.13½	Bankeno	8420	.23	.24	.21½	.22
.12½	.06½	Bankfield	2000	.08½	.09½	.09½	.09½
2.85	.19	Barnat	101625	1.55	1.63	1.49	1.57
.07	.04	Barvallee	1000	.05	.05	.05	.05
.60	.20	Barvue	2000	.14	.13	.12	.13
.63	.51	Barymin *.03	3830	.70	.72	.67	.67
.30	.15	Base Metals	28400	.25	.25	.22	.23
.29	.12	Basks	97850	.16½	.19	.17	.18
.73	.13	Bateman	323300	.60	.70	.59	.69
.19	.04	Beatrice	14500	.06½	.06½	.05	.05
.24	.16	B'tie-Dug.	52555	.24	.25	.22	.22½
.30	.12	Beaver L'ge	3500	.20	.18	.18	.18
1.55	.86	Belcher	49115	1.13	1.20	1.08	1.15
.62	.30	Bellechasse	362000	.50	.62	.49	.60
.11	.05½	Belle-Chib	4500	.07½	.07½	.06	.07
3.00	1.30	Belleterre *.05	300	1.56	1.53	1.53	1.53
1.25	.53	Bethle'm	42500	1.00	1.06	.99	1.01
.23	.10½	Beycon	18142	.16½	.17	.16	.16
.18½	.04	Bibis-Yuk.	2742300	.15	.16½	.12	.15
1.35	.85	Bicroft	19253	.99	1.02	.96	.97
.80	.63	Do. warr.	28800	.05	.06	.03	.05
.24½	.09	Bidcop	33200	.14½	.19	.14½	.19
.33	.15½	Black Bay	4200	.21	.22	.20	.20
.10	.04	Bonville	1200	.06½	.07	.06½	.06½
.14½	.06	Bordulac	6000	.08	.09	.08	.09
.33	.19	Boreas	91000	.24	.25	.21	.25
.24	.07	Bornite	12500	.12	.14	.11	.13
.93	.35	Bouzan	56600	.63	.65	.60	.63
.18	.07	Boymar	420033	.09	.13½	.08	.13½
7.95	4.30	Bralorne .40	6105	7.50	7.70	7.40	7.60
.63	.63	Britannia	800	...	.63	.63	.63
.65	.46½	Broulan Reef	13200	.57	.56	.54	.55
.08	.04	Brunhurst	27300	.08	.07½	.06	.06
.09	.05½	Brunsman	5825	.08	.08	.07	.07
4.50	1.95	Brunswick	2970	3.50	3.65	3.50	3.55
.23½	.05	Buffadison	171340	.22	.23	.18	.18
1.45	.90	Buffalo Ank.	5825	1.30	1.35	1.30	1.35
.12½	.04½	Buff. R.L.	15470	.07½	.09	.08	.09
4.40	3.00	Buloio *.45	4328	4.20	4.10	3.95	4.00
.16	.06½	Bunker Hill	5700	.09½	.09½	.09	.09
.21	.05	Burnt Hill	9500	.15	.17	.11	.11
.45	.30	Burrex	nil	...	...	A.50	.40
C							
.40	.12	Cable	11833	.19	.19½	.18	.19
.38	.18	Cadamet	21683	.31	.31	.27	.31
.09	.03	Calumet	3500	.05	.06	.03½	.05½
9.80	3.95	Camp. Chib.	27135	8.15	8.90	8.05	8.75
		Camp. R.L.					
12.00	5.15	$.06¾+.05	2470	12.25	12.00	11.50	11.50
		Canadian					
.13	.05	Cdn. Ast.	17513	.10	.10½	.09½	.10
1.08	.48	Cdn. Dyno	17770	.63	.62	.58	.61
1.22	.19	Cdn. Mal.	50000	.73	.78	.70	.74
.39	.14	Cdn. N. Inca	41898	.25	.29½	.24	.28
1.09	.27	Cdn. N'west	53647	.65	.72	.66	.72
.17	.06	Cdn. Thor	31125	.06	.09	.06½	.06½
.33	.05½	Canalask	3760	.80	.09	.08	.08
.30	.12	Canam	3500	.21	.22	.20	.22
.24	.14	Candore	147315	.20	.24	.19	.22
.77	.15	Can-Erin	481575	.66	.69	.58	.68
1.78	.68	Can-Met	21056	.90	.88	.83	.87
.93	.27	Do. warr.	5700	.38	.40	.33	.36
.74	.12	Canoramax	11500	.17	.18	.16	.17
.18	.04	Canuba	3500	.09	.10	.08	.10
.05½	.03½	Canusa	nil	...	B.04	...	.04½
.17½	.06	Capital	4600	.10½	.12	.08	.12
.21	.09	Captain	11200	.13	.14½	.12	.13
.94	.48	Cariboo	13650	.93	.94	.87	.90
.27	.15	Cartier M.	17300	.24	.26	.23	.26
		Cassiar Asb.					
11.25	5.40	.40+$.05	21895	10.12½	11.25	10.25	11.00
5.00	3.25	Castle-Tre. .15	400	4.90	5.00	4.75	5.00
4.25	2.25	Cayzor	500	3.00	3.00	2.85	2.85
.12	.05	Cen. Man.	nil	...	B.08½	A.10	.10
1.35	.66	Cen. Pat.	26900	1.25	1.33	1.17	1.30
.37	.07½	Cen. Porc.	18500	.18½	.19	.16	.17
.12	.05	Cheskirk	18500	.06½	.07	.06½	.06½
.38	.16	Chesterville	117750	.20	.30	.21	.27
.80	.31	Chib. Jac.	33600	.71	.74	.67	.73
.20	.10	Chib. K'rand	2700	.19	.19	.15	.19
1.90	.50	Chib. Min.	12700	1.35	1.50	1.37	1.48
.78	.40	Chimo	41710	.70	.77	.72	.77
.15	.06	Chipman	34000	.07½	.11	.07	.11
3.50	2.10	Chromium	nil	...	B2.70	A2.85	2.65
.18	.07½	Cleveland	12500	.14	.14	.13	.14
...	...	Clix	nil	...	...	...	.12
4.00	1.85	Coast Cop.	nil	...	B3.10	A4.00	3.05
4.10	1.30	Cochen'r .10	101305	3.55	4.10	3.50	3.95
.36	.12	Cody-Reco	49500	.18	.19	.17	.18
.19½	.10	Coin Lake	21035	.16½	.18	.16½	.18
.70	.20	Coltstream	2414040	.52	.52	.42½	.51
.20	.20	Coleman A	nil	...	B.30	...	1.30
.25	.16	Do. B	455	1.30	1.30	1.25	1.25
.10	.04½	Colomac	7000	.07½	.08	.08	.08
1.05	.29	Comb. Metals	21133	.34	.35	.33	.34
.66	.26	Commercial	16000	.37	.35	.29	.32
.53	.06	Cominga	nil	...	B.12	A.13	.10
.95	.49	Coniagas	13511	.58	.61	.56	.60
.35	.25	Coniaurum	2500	.29	.31	.29	.29
.35	.19	Conkey	13000	.25	.24	.23½	.23½
.22	.07	Cons. B'keno	29200	.12½	.13	.11	.11½
.20	.07	C. Beta	59733	.12½	.17	.12½	.13
.20	.07	C. Bi-Ore	6300	.08½	.09½	.07	.09½
.20	.10	C. Calliman	10000	.13½	.14	.13	.13
.10½	.05	C. C. Cad.	3500	.07	.07	.06½	.06½
16.62½	10.25	C. Denison	18196	13.00	13.25	12.50	12.75
6.00	2.85	Do. warr.	7515	3.25	3.30	3.10	3.10
3.95	2.30	C. Disc'y .23	9560	3.75	3.85	3.75	3.80
.73	.42	C. Fenimore	7571	.56	.59	.53	.56
.10	.05	C. Gillies	1500	.09½	.08	.08	.08
.35	.15	C. Gold. Arr.	15500	.24	.27	.23½	.27
...	...	C. Goldfield	nil	...	...	...	.00½
.93	.25	C. Hall'well	2678200	.71	.93	.75	.90
4.50	1.62	C. Howey	5970	4.20	4.25	3.90	4.10
.57	.19	C. Marbenor	15000	.52	.53	.48	.50
.69	.29	C. Marcus	20050	.60	.67	.58	.67
2.00	1.13	C. Mogul	131375	1.60	1.89	1.65	1.82
.10	.05	C. Monpas	500	.07	.08	.08	.08
.33	.17	C. Morrison	7800	.23½	.24	.22	.23
.83	.48	C. Mosher	30440	.79	.80	.71	.73
.50	.16	C. Negus	90599	.27	.30	.26	.28½
.14	.04	C. Nich.	2000	.07	.07½	.07	.07½
.43	.23	C. Northland	6100	.33	.30	.30	.30
.22	.09	C. Pershcourt	nil	...	B.15½	A.18	.16½
.50	.33	C. Que. G.	500	.40	.43	.43	.43
.13	.04	C. Que. Y.	1250	.07	.07	.06	.06
.14	.08	C. Red Pop.	33700	.10	.11	.10	.10½
.23	.12	C. Regcourt	36400	.18½	.18½	.16½	.17
.12	.04	C. San'rm	9500	.07½	.08	.07	.07
		C. Smelt.					
23.37½	16.37½	.80+1.20	17842	22.00	22.12½	21.00	21.50
1.14	.55	C. Sud'ry	32550	.75	.79	.72	.77
.55	.25	Cont. Potash	1700	.50	.45	.36	.45
5.05	2.29	Conwest	9475	4.10	4.50	4.10	4.25
.40	.13	Copper Corp.	18500	.30	.32½	.30	.32½
.23	.07	Copper Man.	71200	.14	.16	.12	.13
2.40	1.05	Cop. Rand	35119	2.08	2.28	2.05	2.28
.78	.33	Coulee	16051	.55	.54	.50	.52
.12	.06	Cournor	13750	.09	.12	.10	.12
1.10	.54	Cowichan	23350	1.00	1.05	1.00	1.05
4.10	1.90	Craigmont	4140	3.70	3.80	3.60	3.80
.13½	.07	Crestaurum	4375	.10	.12	.11½	.12
.14	.08	Crotnor	20000	.10	.11	.09½	.10½
.17	.07	Crowpat	87125	.14	.15	.14	.15
.01	.01	Cryderman	nil	...	B.01	...	.01
.20	....	Cusco	27785	.14	.14	.13	.13½
D, E, F							
.80	.15	Daering	28025	.33	.34	.31	.32½
.65	.12	D'Aragon	44900	.41	.43	.38	.43
.40	.22½	Decoursey B.	16375	.29	.32	.27	.30
.25	.18½	Deer Horn	11500	.18	.19	.17	.18
.20	.07½	D'Eldona	20434	.15½	.17	.15	.14½
.83	.48	Delnite	500	.68	.62	.62	.62
.12	.08	Dickstone C.	nil	...	B.10	A.12	.09
.47	.05	Dolsan	25500	.08	.09	.08	.08
19.00	11.00	Dome .70	2211	18.75	18.87½	18.37½	18.37½
.26	.08	Donalda	45100	.13	.13	.10	.13
.29	.14	Duvan	38300	.23½	.24	.19	.21
.18	.07	Duvex	42300	.16	.16	.15	.13½
.29½	.06½	East Amph.	42600	.14½	.13½	.13½	.14½
1.89	1.30	East Mal.	15900	1.55	1.55	1.48	1.48
2.70	1.40	East Sull.	12808	2.10	2.30	2.01	2.25
.14	.07	East. Metals	19000	.09	.10½	.09	.10
1.62	.26	Eider	593222	1.26	1.35	1.10	1.16
.50	.19	Eldrich	230000	.37	.50	.36	.48
.18	.07	El Sol	22500	.12	.13	.12½	.12½
.45	.20	Eureka	17070	.28½	.40	.28	.38
.24	.04½	Explor. Aul.	129650	.12½	.12½	.09	.09½
.15	.03	Fab. Met.	1500	.14	.13	.13	.13
		Falconbridge					
30.12½	21.00	1.00+1.20	9525	28.75	29.00	28.37½	29.00
.11	.03	Fano	5000	.08	.08½	.07	.08
1.73	.94	Faraday	15346	.98	1.02	.96	1.02
.80	.19	Do. warr.	10715	.23	.25	.20	.23
.38	.10	Far North	30500	.19½	.20	.10	.20
.21	.09½	Farwest Tung.	23150	.15	.15½	.14	.15
1.35	.80	Fatimo	296956	.98	1.12	.94	.95
.01	.00½	Flin Flon	nil	...	B.01	A.01¼	.01
.06	.03	Fontana '45	27150	.06	.05½	.05	.05
.65	.21	Forty-Four	nil	...	B.25	...	.25
.19	.15½	Francoeur	32120	.09	.09½	.08½	.09
.09	.05	Friday	nil	...	B.08	A.11	.08
2.25	1.08	Frobisher	23205	2.06	2.09	1.89	1.95
80.00	63.00	Do. 4% deb.	70	79.00	79.00	78.00	79.00
.13	.05	Fundy Bay	16000	.06½	.07	.05	.06
G							
23.00	19.40	Gaspe Cop.	275	30.00	30.75	30.00	30.75
20.00	7.85	Geco	16206	19.37½	20.00	19.37½	20.00
.25	.10½	Genex	2000	.18	.18	.17½	.17½
1.28	.27	Geo-Scient.	7100	1.22	1.22	1.20	1.22
.15	.03½	Giant Mas.	50907	.09½	.11	.07	.10½
7.45	4.25	Giant Yk.	4.15 3570	7.35	7.40	7.15	7.30
2.10	.20	Glacier	373338	.32	.37	.31	.36
.16	.09	Glenn Ur.	22400	.11	.11½	.10	.10
.22	.14	Goldale	13000	.19	.20½	.19	.20½
.42	.05	Gold Eagle	174150	.31	.35	.29	.32
.02	.00½	Gold Lake	nil	...	B.02	A.02½	.01
.94	.20	Gold. Age	35000	.68	.75	.62	.65
.45	.20	Gold. Man.	7600	.30	.30	.28	.30
.68	.07½	Goldfields	43850	.35	.36	.34	.34
7.80	4.00	Granby	100	7.15	7.80	7.80	7.80
.49	.16	Grandroy	86342	.35	.30	.21	.28
2.35	.82	Grandue	10960	1.77	1.90	1.75	1.78
.33	.05	Grandview	nil	...	...	...	.25
...	...	Great Falls	nil	...	B.01	...	.02
.28	.15	Greyhawk	28900	.15½	.16	.15	.15
.19½	.04	Gui-Por Ur.	3000	.10	.06½	.05½	.05½
.23	.08½	Guich	32300	.09	.11	.09½	.11
.13	.07	Gulf Lead	30800	.10½	.11	.09	.09
19.75	12.75	Gunnar G.	27085	18.87½	19.00	18.25	18.37½
8.80	5.70	Do. warr.	6741	7.00	7.10	6.60	6.70
.12	.04½	Gwillim L.	1800	.09	.08½	.08½	.08½
H, I, J							
.09	.02½	Haitian	76700	.05	.07½	.05½	.07
2.15	1.70	Halinor	nil	...	B1.90	A2.00	2.00
.14	.08½	Hard Rock	42300	.12	.11½	.11	.11
.25	.08	Harr. Min.	106850	.23	.23½	.21	.22½
.21	.12½	Hasaga	2000	.19½	.19½	.19	.19½
.12	.06	H'd of Lakes	2000	.10	.10	.10	.10
.79	.33	Headway	18500	.53	.54	.50	.51
.12	.06	Heath	20400	.09	.09	.08	.08
.09	.04½	Heva	255000	.07	.09	.07	.08
1.60	1.10	High-Bell .05	8200	1.80	1.80	1.76	1.80
		Hollinger					
33.37½	20.50	24+1.24	8368	31.87½	31.75	30.62½	31.00
5.25	3.05	Hoyle	12870	4.70	4.95	4.55	4.90
62.25	39.25	Hud. Bay 3.00	8983	60.25	62.25	60.25	61.50
.28	.15	Hugh-Pam	8300	.20	.20	.17	.17
1.50	.60	Indian Chem.	100	1.40	1.40	1.40	1.40
.10	.05	Indian L.	107700	.08½	.09	.07½	.08
.87	.40	Inspiration	11850	.62	.65	.58	.60
.69	.10	Int. Ceramic	3600	.20	.21	.15	.19
91.00	69.37½	Int. Nick'l 2.80	12369	85.50	89.50	85.00	88.75
.72	.18½	Int. Ranwick	97000	.38	.38	.31	.36
2.94	.52	Irish Cop.	36875	2.48	2.90	2.48	2.78
2.55	1.40	Iron Bay	5200	2.25	2.40	2.25	2.40
.58	.25	Iso Uran.	103700	.43	.58	.42	.58
.26	.12	Jack Waite	8500	.15	.17	.15	.16
.94	.35	Jaye	26800	.45	.51	.44	.46
.23	.10	Jellicoe	84666	.17½	.17½	.15	.16½
.34	.10½	Joburke	89050	.29	.32	.27	.29
.43	.20	Joliet Que.	13700	.28	.31	.28½	.31
.24	.08	Jonsmith	35000	.18	.18	.16	.16
.79	.38	R. J. Jowsey	13739	.64	.65	.60	.63
K, L							
.10	.05	Kenville	69600	.08½	.10	.08	.08
21.00	14.75	K.-Addis'n .80	22802	20.00	20.25	19.37½	19.62½
3.25	.95	Kilembe	10700	2.56	2.52	2.35	2.40
.74	.27	Do. warr.	7025	.49	.50	.41	.48
.20	.09	Do. rts	23229	.14	.16	.09	.12
.86	.32	Kirk. Min.	212941	.78	.86	.75	.85
.14	.08	Kirk. Town.	nil	...	B.10	A.14	.10½
.09½	.05	Kontiki Lead	25000	.07½	.09½	.07	.09
.02	.01	Koot. Base	4000	.02	.02	.02	.02
30.37½	14.75	Labrador *.25	3496	29.50	30.00	28.75	28.75
1.23	.90	Lake Cinch	6250	1.18	1.19	1.12	1.13
.88	.40	L. Dufault	27025	.75	.88	.75	.88
.12	.07	L. Lingman	12250	.10	.11½	.10	.10½
.29	.16	L. Obu	20800	.23	.24	.22	.23½
5.25	3.90	L. Shore	1857	4.55	5.00	4.30	5.00
.32	.15	L. Wasa	9250	.30	.30	.29½	.29½
4.25	2.75	La Luz	2625	4.00	4.25	4.00	4.25
3.50	2.20	Lamaque *.20	5879	3.35	3.50	3.20	3.40
.50	.19	Latin Am.	900	.33	.33	.33	.33
1.60	.93	Leitch G. .06	12275	1.44	1.44	1.33	1.40
.21½	.06	Lencourt	28500	.12	.14	.13	.14
.97	.03½	Lexindin	151000	.05½	.06½	.05	.06
.08	.04	Lingside	18000	.06½	.06½	.05	.06
.18	.08	Lithium	500	.10	.10	.10	.10
1.26	.54	Thompson	22800	.77	.79	.67	.70
.10	.05	Tiara	27000	.08½	.08½	.07	.08
.30	.08	Tib-Explor.	72400	.24	.24	.20½	.23½
.33	.21	Tombill	8000	.25	.25	.24½	.24½
.37	.19	Torbrit S.	58600	.31½	.34	.27	.34
.14	.06	Towagmac	4500	.11	.10½	.10	.10
1.45	.60	Tr. Can. Ex.	9500	1.01	1.00	.91	.91
.30	.13	Trans. Res.	23000	.19	.20	.19	.20
.13	.04	Trebor	23700	.07½	.09	.07	.07½
.45	.18	Tribag	2000	.34	.33	.31	.31
.75	.16	Trinity	16100	.27	.26	.21	.22
.29½	.10	Trojan	106416	.24	.23	.20	.21
.38	.15	Ultra-Shaw.	79400	.20½	.22½	.20	.21
.30	.13	Union Min.	7000	.28	.23	.23	.24
7.75	4.90	United Asb.	29500	6.35	6.40	6.25	6.30
4.65	3.40	Un. Ken. 1.12	5978	4.50	4.65	4.40	4.40
.68	.35	Un. N. Fort.	25450	.44	.50	.41	.43
1.45	.58	Up. Can. *.02	51808	.90	1.09	.91	1.07
.02½	.01	Utica	nil	...	B.01	A.02	.02
.04½	.02	Valley Ex.	nil	...	B.02½	A.05	.03
.11	.05	Valor	4500	.07	.07½	.06	.07
.05	.01½	Van'da '48	1000	.03	.02	.02	.02
1.80	.10	Vanguard	6000	.16	.17	.16	.16
31.25	21.00	Ventures .50	5618	31.00	30.87½	30.25	30.62½
1.75	1.15	ViolaMac	19100	1.68	1.75	1.62	1.73
.37	.14	Virginia	3700	.17	.20	.16	.20
W							
7.60	5.15	Waite A. *.55	5962	7.45	7.60	7.15	7.60
.27	.18	Weedon Pyr.	18500	.23	.23	.21	.22½
.05½	.02½	Wendell	130000	.03	.03½	.03	.03½
.14	.06½	Werner Lk.	10500	.01	.14	.11	.14
.30	.20	West Ex.	6000	.27	.28	.27	.28
.09½	.05	West Mal.	203800	.07	.09	.06½	.07½
.18	.07	West Min.	2500	.13	.15	.14	.15
.11	.05	Westville	16800	.07½	.08	.07½	.08
2.60	.66	Willroy	121650	2.04	2.40	2.00	2.25
1.85	.30	Do. warr.	22800	1.60	1.80	1.55	1.71
.67	.13	Wiltsey C.	265400	.19	.19	.16	.18
.08½	.05	Winchester	4500	.07	.08	.07	.07
.20	.12	Windfall	10672	.16½	.18½	.16	.18
.03½	.01	Wpg. R. Tin	nil	...	B.02	A.03	.02
1.70	1.20	Wright-Har.	10625	1.40	1.44	1.36	1.44
Y, Z							
.37	.10	Yale Lead	63420	.31	.34	.30	.30
.10	.05½	Yellorex	nil	...	B.08½	A.09	.09
1.84	.69	Yk Bear	63530	1.40	1.43	1.27	1.30
.81	.53	H. G. Young	72700	.73	.81	.73	.79
.08	.03½	Yukeno	4832	.07	.07	.06½	.07
.74	.54	Yukon Con.	7400	.62	.65	.61	.65
.62	.16½	Zenmac	30800	.30	.30	.29	.30
.28	.11½	Zulapa	14550	.26	.26	.24	.25

Oil Stocks

Range 1958-59 High	Low	Company & Dividend ($)	Sales	Last Jan. 23	Week Ending Jan. 30 High	Low	Close or latest
.29	.13	Acme .01	5000	.21½	.23	.21	.21
1.02	.45	Ajax	27700	.94	1.00	.86	.94
.08	.02	Aibedena	12000	.06	.06¼	.06¼	.06¼
.50	.32	Aita, P. Con.	9485	.49	.50	.46	.49
.23	.04	Allenbee	10596	.13	.11	.08½	.08½
.60	.27	Allied Roxana	1475	.33	.35	A.35	.35
.05	.02	Amalta	nil	...	B.05¼	A.06	.05
.95	.15	Amer. Leduc	60396	.21	.22	.19	.20½
4.00	2.30	Amurex	nil	...	B3.00	A8.00	3.80
2.00	1.00	Anaconda	2550	1.31	1.30	1.20	1.26
1.11	.38	Anchor	15100	.22½	.22½	.20½	.21½
11.37½	8.25	Anglo-Am.$	100	9.60	9.25	9.25	9.25
.07	.03½	Apex	50900	.05½	.05½	.05	.05
2.25	1.50	Asamera	24775	1.70	1.65	1.64	1.80
B							
12.00	7.50	Bailey-Sel. A	14110	10.00	10.25	10.00	10.00
25.50	21.50	Do. 5% pf. 1.25	2210	24.62½	25.00	24.75	24.87½
		Do. 5¾% pf.					
23.75	20.00	1.43¾	725	23.00	23.50	23.25	23.25
2.34	1.58	Banff	1300	1.90	1.85	1.81	1.81
.09½	.04	Barons	3450	.04½	.04½	.04½	.04½
.77	.28	Basco	556250	.67	.77	.59	.72
.12	.05	Bashaw	500	.09	.08	.08	.08
.10	.05	Bata	13500	.06	.07	.06	.06½
.35	.05	Blue Crown.	11016	.20	.23	.20	.22
.80	.65	Bluewater	500	.70	.65	.65	.65
.60	.12	Bonnyville	142767	.53	.53	.40	.46
.85	.70	Brazeman	2000	.76	.80	.75	.75
3.20	1.35	Britalta	27224	2.86	3.00	2.71	2.99
C							
1.20	.45	Calalta	56530	1.08	1.09	1.00	1.07
35.00	17.75	Calg.

ANNOUNCEMENT

WESTMINSTER PAPER EXECUTIVE APPOINTMENT

CHAS. W. CARD

The appointment of Charles W. Card as Assistant to the President of Westminster Paper Company Limited, is announced by Arthur F. Armstrong, President. A graduate of the University of Iowa, Mr. Card joined Westminster Paper Company in 1954 after extensive experience in Sales, Product Standards, Personnel, and Manufacturing Management with Scott Paper Company, Chester, Pennsylvania. Mr. Card has been Director of Product Standards and Quality Control for Westminster, and will continue to have the overall responsibility for these functions in addition to his new duties. His office will be at the company's headquarters in New Westminster, B.C.

Sell Trident Speed Search

Funds to help finance an expanded exploration program were picked up in a recent move by **Bailey Selburn Oil & Gas.**

Sale of the drilling assets of **Trident Drilling,** a contract drilling subsidiary, has been negotiated at an undisclosed price giving Bailey a profit. (Drilling rigs and equipment of Trident were shown at a depreciated cost of $1,682,891, at June 30, 1958.)

A $2-million exploration program has been scheduled for 1959.

Plans call for about $1.2 million to be spent on exploratory drilling and land acquisitions in the biggest search for oil the company has yet launched.

Balance of the program will seek additions to known reserves through development of established areas.

BETHLEHEM DRIVE

The adit drive at **Bethlehem Copper** Highland Valley property in British Columbia has penetrated the Jersey ore zone for about 150 ft., officials report.

Taking Stock

What's going on in the mining and oil markets — the facts and rumors.

By FRANK KAPLAN

Copper again appears to be setting the pace for mining stocks. Firmer tendencies in world copper activity turned base metal stocks around after a two year drop. And copper has continued to lead prices mildly higher.

This week, a one cent a pound jump in the price of copper in the U. S. to 30c (29c in Canada), was the spark for a flurry into new high ground for many metal stocks. And activity spread into lower-priced more speculative issues still in the prospect stage.

With business generally improving, copper stocks at primary U. S. refineries were down 41% in November to the lowest levels since June 1946. That's an indicator of a trend which is believed to have continued since.

Here's how some coppers have been trading.

	Latest Price $	Mid-Jan. $	1958-59 High $	1958-59 Low $
Noranda	57¼	54½	57¾	35¼
Campbell Chibougamau	8.85	8.70	9.80	3.95
Opemiska	10	9.70	11	5.75
Maritimes	1.21	1.18	1.39	.40
Geco	20	19¾	20	7.95
Irish Copper	3.05	2.45	3.20	.52

Further reflecting interest in copper is heavy trading in **Consolidated Halliwell** which pushes ahead to the mid-90's before slipping to 88c, a gain of about 6c on the week. Street talk is that Halliwell is developing a large U. S. following which has been lacking among Canadian mining issues for some time.

Illustrating the profit improvement resulting from better copper prices are **Quemont** and **Normetal** 1958 earnings, both well ahead from 1957. Quemont at $12⅝ is up about ⅝ recently and Normetal at $3.65, bumps ahead from $3.20.

On the other hand, uraniums are still under downward pressure. **Consolidated Denison,** reporting profit of $2.15 a share in 1958, holds relatively steady at $12⅞ as it tries to buck the trend. **Gunnar** is down ½ at $18⅜; **Algom** slips to $14⅞ from a recent $16⅝.

* * *

Interest in penny issues is stirring. **Candore** is active as it firms at 22c from 17c in mid-month. Company is believed arranging new financing for a drilling probe of its Shaft Island gold property.

New Formaque, sitting with a copper property near Val d'Or including drilled ore reserves and a mining plant, is planning a re-opening effort to take advantage of higher copper prices. Shares are among most active in Montreal as they climb to 18c from around 11c.

Bibis Yukon is another "penny dog" in a revival campaign. New financing and a property in the Mistassini area are the attractions to speculators. Bibis at 16c is up from 13c in mid-January.

* * *

Stepped-up activity in mining issues means more money for exploration and development. Within about a week, there were seven "deals" noted involving underwriting of stock and options. They included:

Grandroy which is trading at 32c as it flurries ahead from 21c; **Mayhrun,** revived after a two-year rest, which churns briskly at around 20c, little changed from recent levels; **Gold Eagle** flurries to 35c, slips to 33c from around 28c; **Glacier Explorations** at 33½c climbs a few pennies; **Ansil** at 47c climbs about 6c.

For others, the wheel of excitement turns in the opposite direction. **Mt. Wright,** after climbing to 88c, plunges to 68c. It had been as low as 48c.

Steep Rock Iron slips to $14⅝ from a $15 level although the company expects to double its 1958 iron shipments and to resume full-scale expansion.

* * *

ON THE OIL AND GAS FRONT—activity also tends to increase with speculation emphasized. **Tidal Petroleum** is still the feature to $1.96 then dropping back to $1.87, ahead from $1.83. This one bounces like an India rubber ball. Latest speculation is that it will attempt financing on a rights basis (rumor says 1-for-10 at $1.70) and then give a nine-month warrant at $2 on each new share.

Bailey-Selburn plans to step up its exploration activity, using funds generated by sale of **Trident Drilling.** Bailey A shares at $10⅛ are ahead fractionally. **Basco Oil** gets new money through sale of 500,000 shares at 50c. Shares trade at about 67c, ahead from 61c.

Asamera Oil, dickering in Indonesia, reports higher cash flow following purchase of production, refining and marketing facilities in the U. S. At $1.97, the shares are ahead from $1.70 in mid-month with U. S. buying said predominating.

Gold Profits Up Show 10% Gains

Gold mine profits are running higher. Five gold producers this week reported increased profits in 1958 with the boosts ranging from 1% to 10%.

The preliminary statements of the **Dome Mines** group of three producers and the Teck-Lamaque team showed a trend toward handling greater tonnages while sitting hard on costs.

Teck-Hughes Gold Mines boosted profits 10% as it turned a loss of $38,919 on mining operations in 1957 into a profit of $19,963. The plant milled an average of 540 tons daily, up from 498 tons in 1957.

	1958	1957
Tons milled	197,755	181,745
Prod. incl. cost-aid	$1,103,628	$1,052,441
Lamaque divid.	484,640	484,640
Invest. inc.	72,245	79,303
Operating costs	1,083,665	1,091,360
Est. net profit	576,848	525,024
Earn. per share	12c	11c

Lamaque Gold Mines, the Teck subsidiary, boosted net profit 6% in 1958 with average daily tonnage handled rising slightly to 2,085 from 2,033.

	1958	1957
Tons milled	761,140	742,000
Prod. incl. cost-aid	$4,589,838	$4,428,290
Invest. inc.	98,256	90,021
Operating costs	3,721,945	3,684,441
Taxes	178,498	93,064
Est. net profit	787,651	740,806
Earn. per share	26.25c	24.69c

Dome Mines showed the smallest increase in profit of the five reporting companies with net equal to 93c a share. While Dome increased its production, operating costs rose to $7.96 a ton from $7.85 a ton in 1957.

	1958	1957
Tons milled	707,900	696,800
Production	$5,962,970	$5,733,769
Cost-aid	395,000	485,000
Other income	1,295,376	1,469,181
Operating costs	5,631,904	5,469,506
Depreciation	138,876	140,935
Ont. mining tax	36,000	22,000
Outside explor.	167,728	184,172
Income tax	60,000	67,000
Est. net profit	1,818,838	1,804,337
Earn. per share	93c	93c

Sigma Mines (Quebec), a Dome subsidiary, increased profits in 1958 by 8% to 39c a share from 36c. Sigma increased its production while holding an operating cost rise to only 2c a ton at $5.36 a ton.

	1958	1957
Tons milled	417,777	403,171
Gold ozs.	76,486	74,687
Bullion	$2,691,977	$2,520,415
Cost aid	164,000	123,500
Other income	55,266	52,207
Operating cost	2,240,208	2,151,370
Depreciation	103,061	102,238
Mining tax	19,100	18,000
Outside expl.	575	3,982
Income tax	73,000	54,000
Est. net profit	$395,299	$366,532
Per share	39c	36c

Campbell Red Lake Mines, also part of the Dome group, lifted profits by 6% to 40c a share from 38c. Tonnage handled remained steady but gold recovery per ton jumped to $19.84 from $18.94. Operating costs were up at $8.59 a ton from $8.34.

	1958	1957
Tons milled	256,524	256,412
Gold ozs.	149,391	144,530
Bullion	$3,090,632	$4,856,811
Other income	120,054	113,081
Operating costs	2,203,601	2,139,333
Deprec., def. develop. outside expl.	497,828	472,384
Mining tax	185,000	166,000
Income taxes	710,000	670,000
Est. net profit	$1,614,257	$1,520,173
Per share	40c	38c

Profits Up: Quemont 24% Normetal 34%

Two members of the **Mining Corp. of Canada** group of metal producers this week illustrated the rapid recovery in earnings as copper prices firm.

Interim statements of **Quemont Mining Corp.** and **Normetal Mining Corp.** show higher profits for 1958.

In the first half of 1958, Quemont profits were down 14% from the first half of 1957 while Normetal net was down 67%.

Quemont Mining profits jumped 24% in 1958 to 89c a share as they rebounded from 71c a share which was the lowest level since production started in 1949.

Here are comparative figures:

QUEMONT MINING

	1958	1957
Tons milled	859,170	837,231
Depreciation	$722,800	$1,003,913
Est. net profit	$1,860,700	$1,497,882
Per share	88.5c	71c

Normetal Mining profits flip ahead 34% to 22c a share from 16c in 1957.

Here are comparative figures:

NORMETAL MINING

	1958	1957
Tons milled	355,374	378,283
Depreciation	$147,000	$172,840
Est. net profit	$806,000	$602,316
Per share	21.43c	16c

GOOD BUSINESS

From Our Own Correspondent

SASKATOON — A Board of Trade survey shows that business here in 1958 was 5% higher than in 1957.

ANNOUNCEMENT

DOMINION BRIDGE DIRECTOR

H. GREVILLE SMITH

Dominion Bridge Company, Limited, announced, following a meeting of the Board of Directors on January 27, 1959 that Mr. H. Greville Smith was elected a director of the Company.

Mr. Smith is a director of the Canadian Pacific Railway, the Bank of Montreal and several other large Canadian corporations. Until recently, he was President of Canadian Industries Limited.

Question:

What's in store for the uranium group now?

Answer: Closing of Northspan's Spanish American mine seems to be fairly final. Also seems to confirm what the Mitchell bulletins have been saying for years: that the uranium industry is headed for trouble when their contracts run out.

Question: Does this mean I should sell my uranium stocks?

Answer: Mitchell clients have been taking profits in uraniums for the past few weeks — and switching their capital to the oil and gas, and copper stocks where the big money is being made. For example, we recommended Rio Tinto as a fair technical bet at $1.30 early in December. Two weeks ago we started taking profits at $1.75 — and plowed the proceeds into an oil and gas complex called Ajax Pete which has since gained 35 cents a share to $1.02 where we're taking profits again. Same with Milliken Lake which we bought when the uraniums were bottoming out in late October. The paper profits built up here have been more than sufficient to finance our margin purchases of Maralgo and MacDonald Mines. We bought Maralgo at 25 cents on Dec. 6 and took profits last week at 40. MacDonald, which was accumulated at 24 cents a share, ran to 55 cents where we started taking profits at two cent intervals from 50 cents up. So you see the profits from uranium stocks are largely illusionary; there are bigger winners in the other groups. And to make the maximum efficiency of capital your money should be primarily employed in situations where there is a possibility to pyramid profits.

Question: I'm interested in avoiding traps like the uraniums from here in. What do I have to watch for?

Answer: The sponsors of the stock. Here you'll get an important tip-off to their plans by carefully watching the technical performance of the market. If a stock runs to a new high on light volume and then its advance bogs down in heavy volume, it generally means the sponsors are running a "retail" market — filling bids without trying to create new demand (and more bids), rather than trying to stimulate further rises. On the other hand, if an advance moves ahead on a slow and steady pace then it means the sponsors are planning their blow-off at a still higher price, and the stock is bound to move higher. This is the type of market action Mitchell clients watch for. We started buying New Chamberlain Pete for example, at $1.05 per share, because we were intrigued by the stock's fundamental merit and technical bottom. Now it is $1.40 and we still think it is going higher because public distribution has yet to be achieved. We did the same with Britalta a few months ago. When Britalta was $1.40 we took our initial positions; when it moved to $1.70 we added to these positions on the assumption that a blow-off could not be effectively employed until prices moved to three or four dollars. The result: when it hit $3.15 we could afford to take partial profits and wait for the final rise to $4.00 without having any of our capital tied up.

Question: Sounds like an excellent approach. What do you do if one of your stocks fails to move higher?

Answer: Don't get the idea all of our stocks are immediate winners. Some of them take a long time to materialize into the major winners we always expect from all our situations. For example, we started picking up North Rankin at 70 cents a year ago before it dropped to 50 cents. When it plunged through 50 on its way to 40 we were beginning to wonder whether or not we really picked a dud. After we averaged down at 40 however, it moved to 90—where we stepped up the pace of our buying to offset the year's wait for profits. Now, with Rankin trading at $1.90 we feel our patience has been well-rewarded. Same with Maritimes Mining and Merrill Island, where we had to wait over a year before their prices doubled from the levels at which we conducted accumulation.

Question: How can I find out what the Mitchell clients are doing in the market?

Answer: A six weeks trial subscription is your best bet. To help you understand the whys and wherefores of market psychology we'll also send you free a copy of our informative and revealing booklet, "Making a Business of the Stock Market" as well as the introductory chapters to our Trader's Notebook, a series of educational and informational material by which virtually all our clients become profit-making professional traders. The cost is $5.00 and our address is:

MITCHELL OF CANADA INC.
1420 GENESEE BLDG., BUFFALO 2, N.Y.

Company Report

Oil

CANADIAN CHIEFTAIN PETROLEUMS had a net loss of $122,805 in the year ended June 30, 1958, compared with a $87,535 loss in the previous year.

Larger write-offs of abandoned properties and higher rental payments more than offset the 37% jump in production income to $49,061.

Gas sales, under contract to **Trans-Canada Pipe Lines,** will start in November.

Initial sales will be from the Cessford field. Contracts have also been signed for the sale of gas from the Provost field.

Participations were taken in drilling of 11 wells of which two were classed as discoveries and six were successful stepout wells in known fields.

CONDENSED INCOME ACCOUNT

Years Ended June 30:	1958	1957
Net production inc.	$49,061	$35,724
Add: Royalties	245	318
Profit sale assets	1,218	.....
Less: Loss sale sec. & assets	7,774	.....
Admin. & gen. exps.	70,817	62,606
Net earnings*	28,067	26,564
Less: Deprec.	7,336	17,667
Deplet.	4,273	5,483
Amort.	26,793	16,614
Lease rentals	32,525	12,916
Wells & lease aband.	23,811	8,291
Net loss	122,805	87,535
*Loss.		
Shares o/s as at June 30:		
Common, n.p.v.	2,050,656	1,950,656

CONDENSED BALANCE SHEET

As at June 30:	1958	1957
Cash on hand	$95,392	$322,166
Mktble. sec.*	134,823	135,147
Accts. rec.	96,817	96,819
Inventory	29,615	57,001
Prepaid exps.	11	17,750
Total curr. assets	378,658	630,883
Int. in affil. cos.	.....	40,000
Drill. & other deps.	3,950	3,500
Lands & wells†	577,416	388,542
Fixed assets†	112,267	81,535
Inborp. exps.	3,919	3,919
Total assets	1,076,310	1,148,396
Total curr. liabs.	60,587	125,605
Capital stock	1,258,808	1,152,558
Deficit	243,085	129,767
†After deprec. of	14,702	20,870
†After depl. & amort. of	49,160	25,113
*Market value	168,044	150,518
Working capital	318,071	505,278

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	Recommended Price	Date	High Since	% Profits
1. Anacon	58c	Oct. 9	$1.18	103%
2. Bateman Bay	35c	Nov. 6	.73	108%
3. Consol. Vauze	67c	Oct. 9	2.20	228%
4. New Mylamaque	66c	Oct. 23	1.91	190%
5. New West Amulet	28c	Oct. 30	.65	132%
6. Place Oil & Gas	44c	Oct. 9	1.07	120%
7. Portage Island	43c	Oct. 9	1.24	188%
8. Willroy	1.08	Oct. 30	2.65	145%

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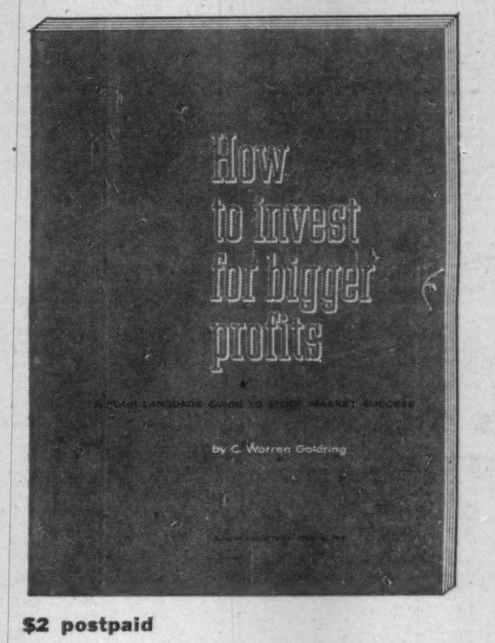

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Position of Chartered Banks of Canada as at December 31, 1958 Shown by Monthly Returns to Minister of Finance

(Amounts in thousands of dollars)

ASSETS

NAME OF BANK	Gold & coin in Canada $	Gold & coin outside Canada $	Notes & deposits with Bk. of Can. $	Gov. and bk. notes other than Can. $	Dep. with oth. banks in Can. currency $	Deposits with oth. bks. in currencies oth. than Can. $	Cheques and oth. Items in transit, net $	Gov. of Can. treasury bills $	Dom. Gov. Short Term Sec. $	Dom. Gov. Long Term Sec. $	Prov. Gov. Sec. $	Municipal Sec. $	Other Can. Sec. $	Securities oth. than Can. $	Mtges. $	Call and short loans in Can. $	Call and short loans outside Can. $	Loans to Can. Prov. Gov. $	Loans to municipalities $	Other current loans in Can. $	Other current loans outside Can. $	Non-current loans $	Bank premises $	Shares and loans to corporations $	Letters of credit $	Other assets $	Total assets $
Montreal	4,901	31	247,776	3,814	999	51,078	311,671	188,302	180,205	431,768	94,378	34,387	127,044	49,933	182,788	61,234	115,515	29,009	48,269	1,055,178	50,540	477	41,854	2,326	43,401	3,530	2,360,208
Nova Scotia	2,088	437	52,077	10,052	8	23,789	147,024	93,077	87,079	131,863	19,939	17,162	43,893	50,307	42,622	31,887	108,088	465	14,914	550,115	297,396	1	18,472	6,430	16,654	1,071	1,759,460
Toronto-Dominion	2,880	1	116,683	2,523	41	20,844	154,554	97,604	50,124	199,612	69,743	28,559	43,128	19,955	73,433	10,303	93,210	4,917	20,043	586,804	27,714	87	22,683	.....	15,087	232	1,660,835
Provinciale	779	.....	22,032	575	3	1,088	21,879	13,323	16,353	35,751	20,790	12,987	8,779	121	3,749	4,881	.....	2,698	16,968	129,264	.....	1	4,901	2,783	1,982	339	311,816
Commerce	4,223	103	156,988	4,142	910	49,486	203,196	215,533	205,664	289,270	52,252	30,632	80,521	127,534	153,395	62,038	138,499	9,644	23,355	964,419	83,104	416	32,374	18,492	28,349	1,385	2,935,942
Royal	4,463	1,149	240,515	29,935	412	168,780	234,117	227,269	213,340	454,030	104,741	38,684	223,009	243,499	269,249	56,992	148,106	15,347	39,624	1,023,021	233,846	285	38,106	7,941	70,981	1,397	4,087,908
Nationale	1,673	.....	56,949	851	2	4,311	46,952	43,831	31,397	88,983	33,902	22,734	10,056	1,685	19,446	6,264	.....	6,516	40,320	293,792	56	40	9,619	.....	1,666	36	721,181
Imperial	1,525	.....	74,574	900	192	13,617	95,990	67,372	40,461	103,711	19,406	9,865	17,564	.....	45,037	4,959	9,211	13	13,325	404,575	8,378	41	9,052	4,665	19,109	59	963,701
Mercantile	15	.....	3,279	36	51	11,521	2,181	1,394	1,446	1,028	.....	47	.....	50	.....	235	.....	.....	.....	10,684	5,290	34	303	.....	1,559	55	39,203
Total	22,647	1,771	1,000,873	52,838	2,618	344,512	1,217,664	949,703	826,069	1,736,016	415,151	194,723	553,994	493,584	789,729	238,793	612,629	68,729	216,818	5,008,852	666,324	1,382	177,164	42,637	196,988	8,074	15,840,274

LIABILITIES

NAME OF BANK	Deposits by Govt. of Canada in Can. currency $	Deposits by Canadian prov. govt. in Can. currency $	Deposits by oth. banks in Can. currency $	Deposits by other banks in curr. oth. than Can. $	Personal savings dep. in Can. $	Notice deposits in Can. curr. $	Demand deposits in Can. currency $	Other deposits in currencies oth. than Can. $	Adv. from Bk. of Can. secured $	Acceptances, guarantees and letters of credit $	Other liabilities $	Capital paid up $	Rest account $	Undivided at latest fiscal year end $	Total Liabilities $
Montreal	87,340	27,581	37,929	30,256	1,527,822	111,420	1,087,605	219,556	.....	43,401	11,732	54,000	120,000	1,566	3,360,208
Nova Scotia	31,754	7,853	6,965	127,512	689,469	50,625	440,062	310,835	.....	16,654	5,413	15,058	54,174	86	1,759,460
Toronto-Dominion	16,055	10,691	17,928	26,874	800,014	76,278	481,032	132,108	.....	15,087	4,733	23,384	56,122	569	1,660,835
Provinciale	5,116	4,548	729	100	174,963	22,666	86,191	440	2,000	1,082	1,732	5,029	7,041	159	311,816
Commerce	77,881	29,457	22,199	100,722	1,283,886	96,189	886,669	250,920	.....	28,349	13,503	45,000	100,000	1,167	2,935,942
Royal	71,904	21,233	33,199	129,254	1,488,906	144,845	1,168,594	690,498	.....	70,981	19,588	60,438	188,805	563	4,087,908
Nationale	13,816	3,535	2,794	247	417,859	61,192	184,713	4,496	.....	1,666	1,320	7,000	22,000	833	721,181
Imperial	15,239	31,400	11,960	5,025	459,020	47,719	297,236	28,396	.....	19,109	3,679	11,200	32,000	1,718	963,701
Mercantile	56	34	3,113	7,340	1,928	7,462	3,813	11,942	.....	1,559	55	1,500	400	1	39,203
Total	319,161	136,332	136,728	427,330	6,843,687	618,396	4,635,915	1,649,191	2,000	196,968	61,755	225,609	580,542	6,642	15,840,274

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Progress Report

Line cutting was started on January 18th, in preparation for an Electro-Magnetic survey, which is being started January 27th on the Company's 1400-acre Mattagami Lake property.

Electrical conductors indicated by the E.M. survey will be ground - Magnetometer surveyed, and then diamond drilled.

E.M. and Magnetometer surveys should be completed in three weeks, in readiness for diamond drilling.

The E.M. crews will then move over to the Company's Desmazures - Douay 50% - optioned 3,000 - acre property and subsequently to its Douay 50%-owned 2400-acre property.

All three properties are scheduled to be E.M. surveyed and diamond drilled this winter.

NORTH MATTAGAMI MINES LIMITED

MOUNT WRIGHT IRON MINES payment received covering option installment of 100,000 shares at 55c a share.

CADAMET MINES has sold 600 shares Falconbridge Nickel Mines on open market at prices from $27 to $28½ a share.

CHIBOUGAMAU JACULET MINES in recent months has purchased 80,095 shares of **Nipissing Mines** for about $178,200; total holding in Nipissing is now 420,240 shares.

Reducing Trading Risks

Where's the BIG MONEY on the T. S. E.?

Make it in the Big Stocks First and Watch How the Speculations Start Taking Care of Themselves

Did it ever occur to you that you can treble your money in a slow-moving situation like Steep Rock Iron in less than a year's time? We've shown clients exactly how to do it—and numbers of them have followed suit. We put them in on margin near $9 (there are certain cut-and-tried types of situations in which margin can be used with complete safety, as we shall discuss below). A matter of five months later, we took them out again on the stock's first run to $14. Then we waited patiently, week after week, for it to break to below $12—which is what our internal analysis of the stock's market told us it would do. Back in they went between $11.25 and $11.50—most of them having rolled up enough additional gains with their liquidated capital in the interim that they had no trouble putting up an extra $50 per-hundred and doubling their previous positions. As this goes to press, Steep Rock has announced that it will double its production. The stock is $15.25—and headed much higher over the longer term.

BUILDING A BASE WITH STOCKS YOU CAN BANK

Consider another illustration of the same technique at work. A new client came to us in November—less than three months ago—and said he wanted to start an absolutely safe growth program with less than $1,000. Although an American, he had Canadian brokerage connections and could take advantage of marginability. We had him buy 200 Triad for cash—total cost, $880. Then we had him hold while we waited for Irish Copper to complete the triple bottom it made late last year above $2—whereby we would then be able to trust it as a bankable situation as well. When it bounced for the third time to $2.20, we had him buy 200 shares on the margin available on his Triad. Then we had him wait again. As both Triad and Irish started moving ahead, we told him it was finally safe for him to start speculating a little. He added 500 Bateman Bay in the 40's—again using margin.

Today, with Triad at $5.70, Irish at $2.90 and Bateman at 70 cents, this man is more than $500 ahead on an $880 investment with just over 10 weeks having elapsed since he started to work with us. Today, because of subsequent new developments about which we were only speculating 30 points lower, it appears that his most profitable position is going to be Bateman Bay. We think this one-time speculation is now going to be a mine—soon joining the other issues in his portfolio as a bankable situation. The point, however, is that he moved into it after building a solid foundation in higher-priced stocks of certain potential—actually taking a calculated risk with a sum of money already provided for his use by gains in Triad and Irish Copper.

TO PLAY THE MARKET, OR TO MAKE IT WORK

Countless readily-calculable maneuvers like these in the bigger, non-speculative TSE stocks have caused numbers of Cronenberg clients to realize that what is popularly called the "serious" money in the Canadian market is not in the promotions at all — but in cyclical stocks which they can easily buy low and sell high when they have the right technical guidance. Last Fall, when BA Oil was $40, we made them wait until it was just over $37 before we let them buy it. We herded scores of them into Campbell Chibougamau last year at $5 and $6 — making them sell at $10 and buy back in the $6.50-$7 range. Earlier, after having them buy thousands of shares of Irish in the high pennies, we showed some of the sharper ones — another device — having them double up on margin with buy-on-stop orders placed above $1.10. For as we said when the stock was 95 cents, a piercing of $1.10 would mean an immediate run to $2. Incidentally, we took them out at $2.90 in October and put them back at $2 in December. You figure the percentages on that play — and send us $5 for an eight-week trial subscription to our weekly reports if you'd like to start working the same way.

Cronenberg reports

4163 Penobscot Building, Detroit, Michigan

Open, Shut Within Year: Mine Shows Uranium Woes

The closing of a uranium mine within about nine months of its opening emphasized the troubles of Canada's young uranium industry — yet pointed to anticipations of brighter days.

Despite a statement in the House of Commons that Canada was negotiating with Euratom and Japan for uranium sales (these negotiations had been under way for some time), uranium share prices slumped on the move by **Northspan Uranium Mines.**

Northspan dropped to $1.85 low from a recent $2.14 then recovered to $1.99 at mid-week.

First the bright side in the decision by Northspan Uranium Mines to shut down its Spanish American property with its $20 million plant and mine.

This 2,000-ton daily capacity mill is being mothballed.

Northspan (it's a member of the **Rio Tinto Mining Co. of Canada** group) is spending some $400,000 to suspend operations in such a way that the plant can be re-opened readily on short notice.

And it will continue to spend more than $5,000 monthly for insurance, caretaking and other watchdog services.

Also, Spanish American is proof that Canada has uranium for sale.

Any potential large - scale buyer should be convinced now that Canada can supply substantial quantities on a long-term basis.

Closing of Spanish American illustrates the improvement in operating results under way at Canadian uranium mills.

Fortunately, Northspan can use its two other properties to fill a contract which originally called for use of three separate mills.

That is, 7,000 tons of milling capacity is expected to meet the demands of an original planned 9,000 tons.

The reasons: Better grade of ore underground, better milling results and generally more efficient mining practices.

The obvious shock effects of closing of Spanish American involve elimination of some 600 jobs.

It is expected that other uranium mines in the Elliot Lake area will be able to absorb most, if not all, employees.

But Northspan's decision is evidence of the difficulties encountered in the crash development program for Canadian uranium and the resulting waste of panic operations.

For Northspan already has a cost over-run of some $30 million with all expenditures to get into production amounting to more than $100 million.

The $20 - million Spanish American mine and plant must be added to this over-run as unnecessary capital expenditure under the contract to sell $275 million of uranium concentrates to the U. S.

Shutdown of Spanish American was forced on Northspan because of U. S. requirements that uranium mines stay in line with contract delivery schedules.

Northspan officials feel that the most efficient operation will place the company on a sounder financial basis and thus permit quicker debt repayment.

Already the company has had to defer repayments of bank loan.

Yet the capital investment of some $100 million is to be repaid during the life of the sales contract which ends in March 1963.

Northspan has been shipping considerably above contract rate of 445,000 lb. uranium oxide a month because of its financial problems.

But permission to ship at an accelerated rate was canceled at the end of the year despite representations to Ottawa and Washington.

The U. S. Atomic Energy Commission is believed to be in the position that it must stick to its budgeted expenditures and cannot take additional uranium.

Northspan's remaining two mines, Lacnor and Panel, will be able to meet a reduced shipment rate of 400,000 lb. monthly through the first six months as a result of the overshipments in 1958.

During this period, Northspan will change operations at its two remaining properties so that the contracted 445,000 lb. monthly rate can be resumed in July.

Panel and Lacnor should operate at capacity for the remainder of the contract.

Worth Noting

Financing agreements and changes in financing deals, major changes in capital, filing statements are listed as reported by the Toronto and Montreal exchanges, Ontario Securities Commission.

ANSIL MINES TSE filing statement, underwriting of 100,000 shares at 35c a share, acquisition of 48 claims Mattagami area for $10,000, option acquired on 72 claims in Montgolfier twp., Quebec from **Feromac Mines.**

CANORAMA EXPLORATIONS, CSE filing statement, underwriting of 400,000 shares of **Cartier Quebec Explorations** at 17c per share.

CANADIAN HIGH CREST OILS option installment covering 200,000 shares at 25c a share not exercised, agreement in default.

YALE LEAD & ZINC MINES has acquired an option on 36 claims in the Yukon for $7,500; additional cost if exercised, $17,500 cash and shares of a new company to be formed.

BASCO OIL & GAS as of Jan. 30, posted for trading on the TSE, ticker abbreviation "BSC"; 500,000 shares underwritten at 50c a share, options granted on 500,000 shares at 60c to $1.

BAKER TALC option installment covering 100,000 shares at 40c a share has not been exercised, agreement terminated.

GLACIER EXPLORERS, TSE filing statement, 200,000 shares underwritten at 25c a share, options granted on 800,000 shares at 25c-70c a share.

CANADIAN CHIEFTAIN PETROLEUMS option installment covering 100,000 shares at $1.75 a share not exercised, agreement terminated.

GOLD EAGLE GOLD MINES, TSE filing statement, 200,000 shares underwritten at 27½c a share and options granted on 800,000 shares at 32½c to 50c a share.

GRANDROY MINES, TSE filing statement, 200,000 shares underwritten at 20c a share.

MAYBRUN MINES, TSE filing statement, 200,000 shares underwritten at 18c a share, options granted on 599,993 shares at 18c to 28c a share.

Reliance Markets Supertest Lines

Reliance Petroleum Ltd. and **Supertest Petroleum Corp.** have completed a marketing arrangement for Reliance to market Supertest products and use Supertest trade names in its retail outlets.

The tie-in will provide a total of 3,000 retail outlets in Ontario and Quebec selling Supertest products and using the Supertest Maple Leaf sign.

The two companies will continue to operate as separate entities.

Congress Bills Talk Up Rise in U. S. Gold Price

From Our Own Correspondent

WASHINGTON, D.C. — The magic word "gold" is once again echoing through the halls of Congress.

Probably it will remain an echo for despite a stronger-than-ever push for help to the U. S. gold industry, there appears little chance that any of the proposed bills will be passed during 1959.

More than half a dozen bills have been introduced to allow the free marketing of gold in the U. S.

The gold forces got three new vocal supporters at this session of Congress with Alaska becoming the 49th state.

A bill by Interior Committee Chairman Senator James Murray of Montana proposes to double the price of gold to $70 oz.

The Eisenhower Administration, however, remains opposed to any major help to the gold mine industry.

Even with former mining executive Robert Anderson as head of the Treasury, the Administration has no intention of weakening its opposition to a gold price boost or to allowing the free marketing of gold.

It has been estimated by the mining state Congressmen that if free marketing were allowed, it would mean a price rise of about $1.50 to $2 oz.

Most Congressmen from the mining states, however, will concede privately that their proposals for free marketing of gold will not be approved this year.

However, they are hopeful that an investigation of economic conditions in the gold industry will be authorized.

And they anticipate that such an investigation would lead to free marketing or some price increase in the years ahead.

Some voices in the U. S. gold mining industry insist a price boost is the only solution. Demands have been made for $70 an ounce gold, and even for $105 an ounce.

Giant Mascot Expects Resume Barite Output

New developments at several properties brighten the outlook of **Giant Mascot Mines,** shareholders were told at the recent annual meeting.

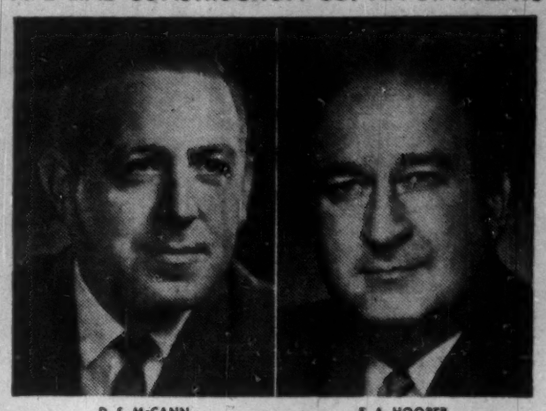
Barite production will be resumed as quickly as possible.

The custom plant which was handling Giant's barite concentrate was burned out last December, but reconstruction is being pushed. Sales prospects for the barite are considered bright, both in Alaska and in Alberta.

Possible developments at the Good Hope mine at Hedley, B. C., may see a production start. Move would hinge on a custom milling arrangement with the adjoining French Mine operation of **Cariboo Gold Quartz.** Work may start this year.

ANNOUNCEMENT

PIPE LINE CONSTRUCTION CO. APPOINTMENTS



D. S. McCANN E. A. HOOPER

The new Board of Directors of F. E. Shaw Limited are pleased to announce the following appointments. Mr. D. Scott McCann, P.Eng., of Toronto has been appointed Executive Vice-President. Mr. McCann is also Vice-President of Temiskaming Construction Limited. Mr. E. A. Hooper of Sarnia has been appointed General Manager. Mr. Hooper is a Vice-President of the Pipe Line Contractors Association of Canada.

Alberta Meets Crude Demands

From Our Own Correspondent

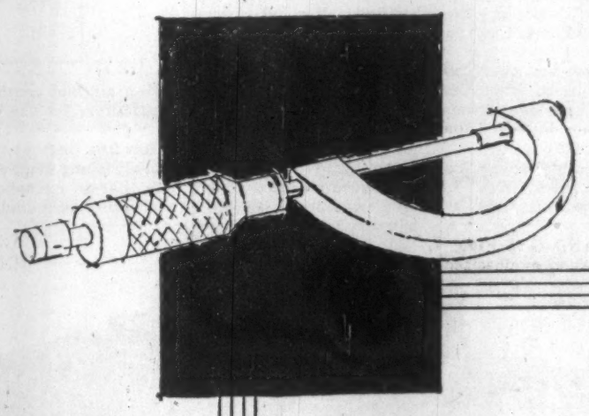
CALGARY — A boost in demand for light crude by refiners in B. C., Saskatchewan and Ontario will see Alberta produce 413,859 bbl. daily during February.

The Alberta Oil and Gas Conservation Board set this month's allowable for wells and pools in the province last week (Jan. 28).

In setting the production rates, the board also permitted 10 smaller fields to produce without limit, having regard to good conservation practice.

One factor was the increased demand for light crude in B. C. where refiners asked 9,045 b/d more oil than they did in January. Sask. refiners asked 4,300 b/d more and those of Ontario increased their demands by 2,100 b/d over January.

SHAWINIGAN WATER & POWER CO., has issued 3,240 shares under the employee stock purchase plan and 7,918 on conversion of 5½% convertible sinking fund debentures, raising number of shares outstanding Jan. 19 to 7,428,769.



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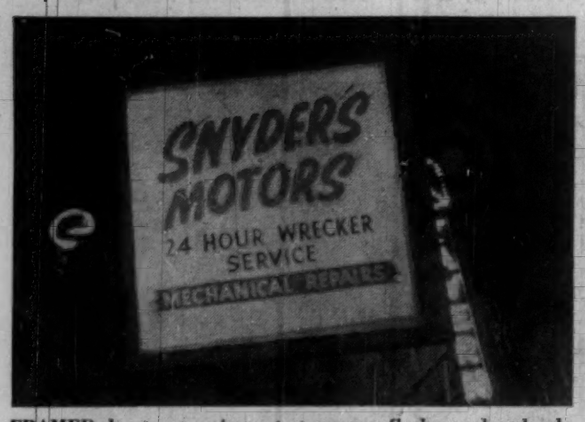


FRAMED by tavern signs, test screen flashes colored ads over Halifax streets.

'Live' Billboard Shows Ad Slides To Street, Plaza

Halifax firm plans to invade Toronto, Montreal and U. S. with its automatic ad projectors . . .

Special Correspondence

HALIFAX — One billboard but 52 ads . . .

That's the gimmick developed by **Projection Advertising Ltd.** here.

The firm plans to project colored ad slides onto 24-ft. screens at key locations throughout the Halifax metropolitan area, and then to invade Montreal, Toronto and the U. S.

Rates for these "live" billboard ads?

For a sunset-to-midnight run every night: $93 a month per screen.

For this, the advertiser gets a five-second flash showing every three minutes throughout the evening. That's about 120 showings per winter night.

The whole idea started as a glimmer 18 months ago, pushed by some imaginative Halifax businessmen:

B. M. Hatfield, president, also a lawyer; R. F. Hatfield, secretary-treasurer; G. C. Piercey, a director, formerly connected with **Piercey's Supplies Ltd.**; Earl Feener, vice-president, also an executive with **Eastern Trust.**

The key figure is Alex Vangurp, managing director.

He's a Dutch-born electronics engineer who immigrated to Canada in 1953. He also operates **Vangurp Electronics Ltd.**, a TV repair firm.

Almost any electrical firm can produce a projector to show enlarged slides.

But Vangurp designed a projector which operates without supervision, and only has to be turned on or off. Up to 52 slides turn on an endless belt.

The unattended projectors slash operating costs.

Right now, Projection Advertising has one test screen in operation.

The company is installing another at Halifax's Bayers Rd. Shopping Centre, and has applied to install a third at the Dartmouth Shopping Centre.

The future? Wherever crowds gather, there's potential for projected color ads, say the backers.

Any shopping centre, recreation hall, athletic field or street has a slide-watching audience.

The actual slides are 3¼ in. square. Projection Advertising has made some slides, but most are prepared by **H & K Farbdia,** of Garmisch - Partenkirchen, West Germany.

In connection with the new development, there's talk that the German firm may open a branch in Canada.

Slides can be easily changed at nominal cost.

For example, a company could advertise for a year with a new slide every month at a cost of less than $1,500.

Cost of a complete projection unit is estimated at about $15,000.

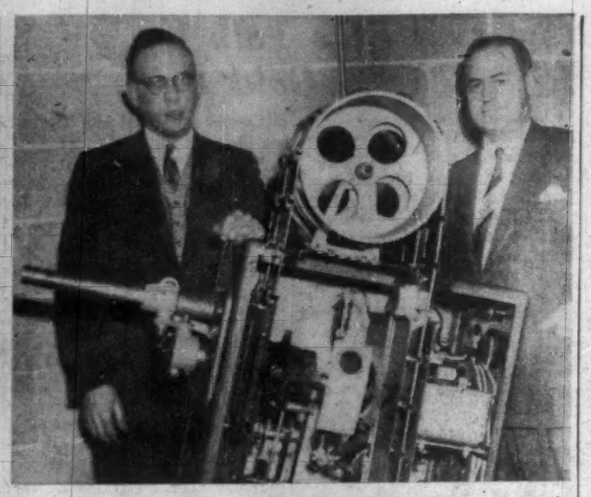
This includes $7,500 for the screen, $2,500 for the booth; balance is for the projector and air conditioning unit to keep the projector cool.

Projectors are German-made with modifications designed by Vangurp and altered in Canada.

Biggest technical problem: To get a suitably strong lamp that does not need an attendant.

The company now uses a mercury xenon arc lamp manufactured by **Osram GmbH,** Berlin. Unit cost: $275, on a delivery quota of two lamps a month.

A carbon arc lamp could do the job, but requires an attendant.



BOSSES OF Projection Advertising Ltd., with company's specially adapted projector: Alex Vangurp (left), managing director, and B. M. Hatfield, president.

Have Any Trade Worries? Ask This Montreal Group

MONTREAL (Staff) — "With Cuban conditions unsettled, am I wise in extending credit to my customers there?"

"What about currency changes in the Argentine?"

"How are collections in Indonesia?"

They sound like tough questions. But they're getting answers at Montreal meetings believed unique in Canada.

Three times yearly, export credit and collections men gather for bull-sessions on their problems at meetings sponsored by the International Trade Section of the Montreal Board of Trade.

The meetings now are on a three-times-yearly basis. When they began two years ago, it was the plan to gather only once a year.

"They have steadily become more valuable. Representatives of many firms realized that they had much to gain by pooling their export credit and collection know-how," says Ken Clarke, general chairman of the sessions and export manager of **Shawinigan Chemicals Ltd.**

The meetings now draw about 50 or 60, mostly credit or export managers. They represent some 35 or 40 firms.

Basic idea is to keep up-to-date on fiscal, political and any other matters affecting trade with nations which buy from Canada.

There is no specific subject to be discussed. Nor are special panels necessary.

Those attending can bring up any problem they wish, ask for information which might smooth out bumps on the road toward more trade.

At first there was some reluctance to talk.

Some executives obviously wondered whether they were giving aid and comfort to their competitors for the export dollar.

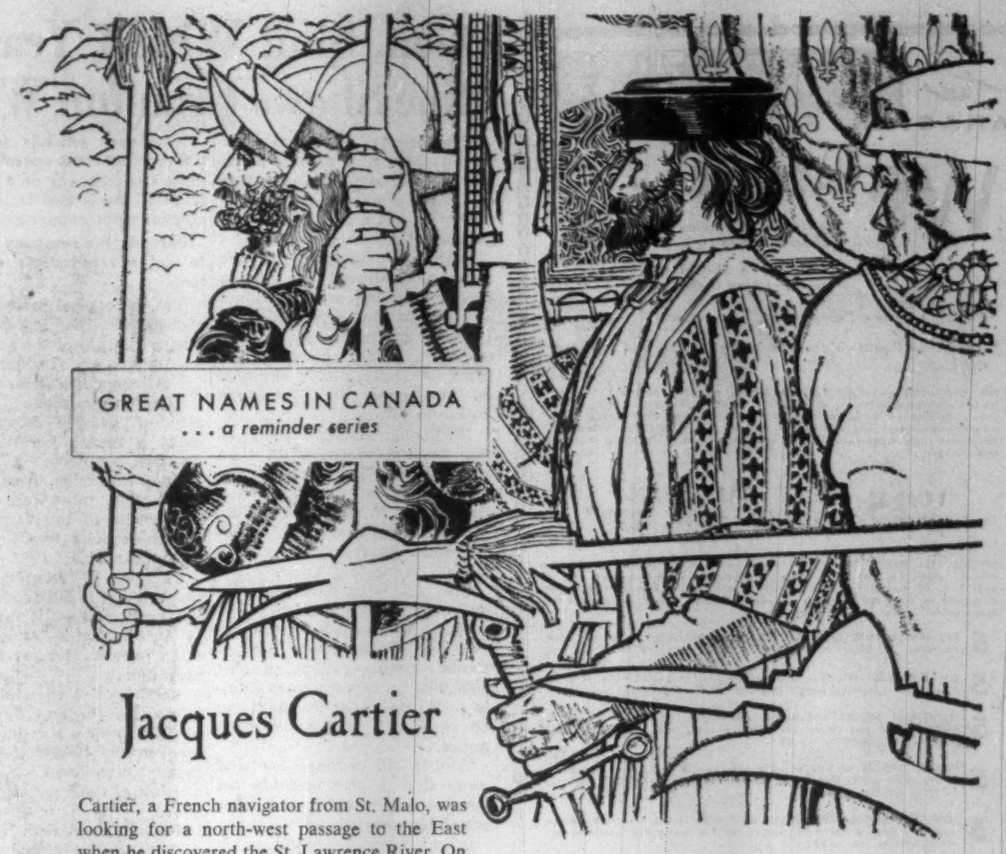
But free discussion developed quickly along with the realization that an exchange of views and information helped everyone.

Much of the talk concerns Latin American nations, where unsettling changes in governments and currencies aren't uncommon.

Our main trading partners are the U. S. and Great Britain, but trade patterns there are well established, don't cause so many problems.

The group has had "excellent" co-operation from government export credit men and from the foreign departments of chartered banks.

The result: Companies in the export trade have secured valuable "operational" information to add to the factual data already available on markets.



Jacques Cartier

Cartier, a French navigator from St. Malo, was looking for a north-west passage to the East when he discovered the St. Lawrence River. On a second voyage, Indians told him he was in the kingdom of Kannata . . . which became Canada.

The early development of Canada was slow. Big business meant the fur trade. The first census, taken 130 years after Cartier's second voyage, showed a population of 3,215 whites.

The Dominion of Canada Group comprises two old established ALL-CANADIAN companies: The Dominion of Canada General Insurance Company founded in 1887 and The Casualty Company of Canada founded in 1911. The Group has over 3,000 Representatives throughout Canada and through them can offer you all major types of insurance. The Companies have earned an excellent reputation for their prompt and fair settlement of claims. May we be of service to you?

THE DOMINION OF CANADA GROUP

• THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

• THE CASUALTY COMPANY OF CANADA

An All-Canadian Group

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FIRE - AUTOMOBILE - COMPOSITE DWELLING AND MERCANTILE - GUARANTEE BONDS - LIABILITY - BURGLARY PERSONAL COMMERCIAL AND SPECIFIC PROPERTY FLOATER - PLATE GLASS - ACCIDENT AND SICKNESS - LIFE

59-1

How to go places in reinforced plastics!

"As the Plastics Decade moves irrevocably into the Plastics Age, *chemistry has become the governing factor in giving plastics equal status with the natural materials*" — INDUSTRIAL DESIGN, October, 1958 (italics ours).

This quote is from a very thorough study of the problems, potential and people who are going places in reinforced plastics. As an important supplier to this industry, Reichhold believes this statement pinpoints the area where RCI creative chemistry can be *your* partner in progress. The same report also states:

"Since polyesters are formulated from a number of different alcohols, acids, and cross-linking monomers, an unlimited variety of resins can be produced with an equally diverse number of physical properties."

It's true. And today there are, indeed, myriad resins on the market. For the manufacturer of reinforced plastics to select the right resin for the right job is not easy. He can, however, call on resin experts — and few companies have such wide experience in resin formulation as Reichhold. Every factor from fabrication method to end-use performance is carefully considered when Reichhold recommends a specific polyester, epoxy or phenolic resin. If necessary, a completely new resin formula is developed.

Whatever your needs in resins, check the complete RCI line of quality materials. And, in coming years, watch the role that "creative chemistry" will play in reinforced plastics. The future's bright!

REICHHOLD CHEMICALS (CANADA), LTD.
1919 Wilson Ave., (Weston), Toronto 15, Ontario

Synthetic Resins • Chemical Colors • Industrial Adhesives • Phenol
Hydrochloric Acid • Formaldehyde • Glycerine • Phthalic Anhydride • Maleic Anhydride
Sebacic Acid • Ortho-Phenylphenol • Sodium Sulfite • Pentaerythritol • Pentachlorophenol
Sodium Pentachlorophenate • Sulfuric Acid • Methanol

RCI

Creative Chemistry ...Your Partner in Progress

REICHHOLD

The Financial Post

Vol. LIII | Member of Audit Bureau of Circulations | Publication Office: Toronto, February 7, 1959 | Twenty Cents an issue, Six Dollars a Year | No. 6

Québec

A FEATURE REPORT

Quebec isn't looking nostalgically at its storied past. The view of the future is too interesting for only backward glances. Few areas anywhere hold so much promise of big expansion, calling for investment in the billions.

By itself, each growth situation is exciting. List them together and the prospect is dazzling. Iron ore developments worth hundreds of millions already are under way. New copper finds also herald expansion.

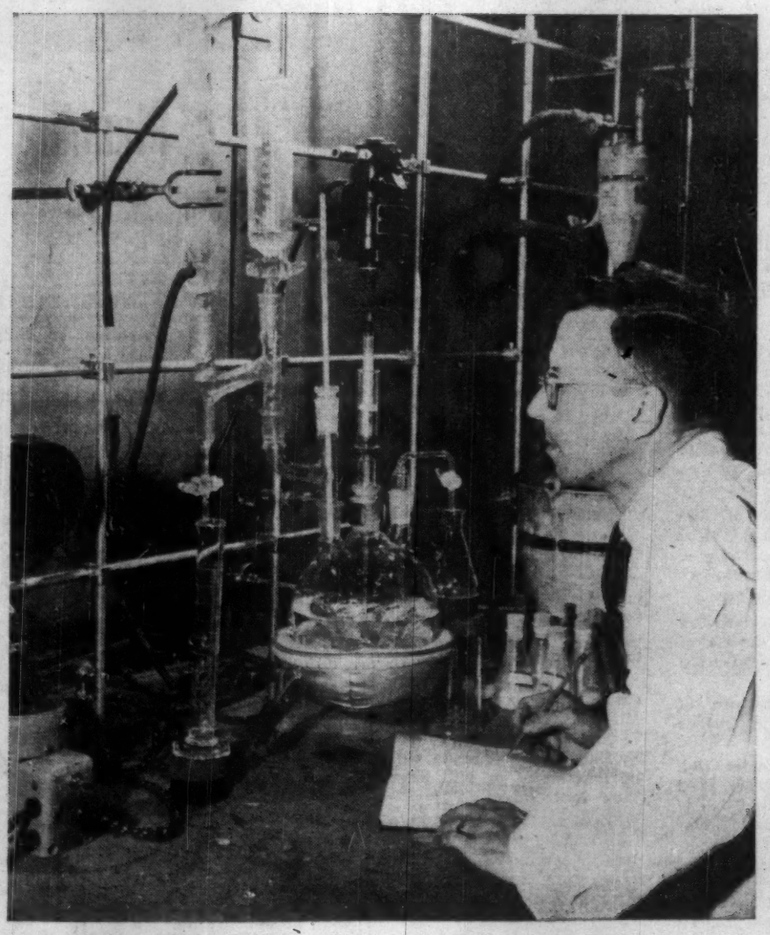
New steel industry is assured for the Montreal area. The prediction is that it will become the nucleus for future basic steel output. Here again the price ticket will be hundreds of millions.

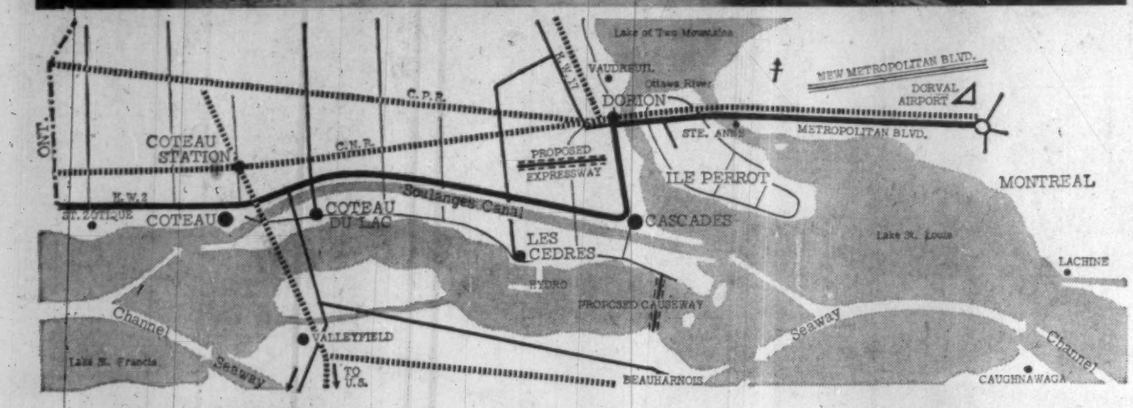
Even more capital will go for water-power development, upon which decisions soon will be made. Quebec has most of Canada's remaining economic hydro sites. Their presence is a mighty magnet for industry.

Additional aluminum capacity waits around the corner for a renewed upswing in world demand. Endless forests are capable of supporting more pulp and paper production — also when world demand calls.

Piercing this largest Canadian province is the St. Lawrence River, shortly to become an even greater commercial high road with this year's opening of the St. Lawrence Seaway.

With new resources being developed constantly and perched in position to serve many markets, Quebec busily plans an era of industrial muscle-building. This feature report tells the story.





Soulanges: An Area to Watch

A quiet rural district within sight of Montreal Island hopes to become the next important economic frontier in Quebec — and join such big-name growth areas as the North Shore (of the lower St. Lawrence), Chibougamau and the South Shore (opposite Montreal).

Right now, about all the Soulanges Canal area has is pleasant scenery, a yen for new industry and some pretty compelling arguments.

This pleasantly treed district so well known to the early fur traders is at the confluence of the Ottawa and St. Lawrence Rivers.

Immediately west of Montreal Island, it is little touched by industrial and residential development. Millions have seen it casually from their train or car windows en route between Montreal and Toronto.

Until last fall its major industry was the operation of the Soulanges Canal, which allowed canal vessels to bypass rough waters on voyages between Montreal and the lakes.

The canal's shipping activity is ended with this year's opening of the St. Lawrence Seaway located on the other side of the river.

Supporters of the area's potential see this is a possible advantage.

Now, they say, the 15-mile canal will be an excellent source of water for new industry. Its entrances could serve as harbors.

They hope for development similar to that at Sorel and Three Rivers, other Quebec cities located at great river junctions.

Possibly their highest card is the fact that Montreal is now overflowing rapidly from its island home onto the mainland.

Satellite development of industry and housing on the South Shore is well-known.

The Soulanges region hopes it will be next to feel this effect.

It already has good road, rail and water transport. This will be further improved when Montreal Island's Metropolitan Blvd., now building, leapfrogs from the island to the mainland not far north of the Soulanges.

To complement this road, local boosters are pushing for a causeway across the St. Lawrence near the eastern entrance to the canal.

These communication links would integrate the Soulanges with Montreal Island and the Valleyfield-Beauharnois districts south of the St. Lawrence.

Other talking points: Huge waterpower resources are nearby, the natural gas pipeline from the west is within a few miles, land costs are low.

Aim of the district's Soulanges Publicity Committee is an attractive balance of industrial and recreational potential.

The presence of three lakes (St. Francis, St. Louis and Two Mountains) as well as two rivers could, they hope, lead to much more tourist development, with emphasis on fishing, sailing, golfing.

Backing the drive for industrial and governmental attention are the Soulanges Canal Association and the Soulanges Chamber of Commerce.

Their representatives will be knocking on many doors this year, as they try to transform their quiet farmlands into a busy industrial, residential and recreational offspring of Greater Montreal.

Shipbuilding

Build A-Ships Here?

A cloud of uncertainty is settling over much of Quebec's once-thriving shipbuilding industry.

However, there is hope of participation in any future atomic shipbuilding program.

In three of the province's four shipyards, government contracts represent the only new ship construction presently in hand.

They include orders for improved Restigouche class destroyer escorts recently placed by the Royal Canadian Navy. Three of these went to Quebec yards.

Employment in the Quebec shipbuilding industry has been slipping. In December it stood at 3,075, or 500 less than in the previous month and down 47% from 5,833 in December, 1957.

Some shipping men fear that the six destroyer escorts just ordered may be among the last conventionally powered major units ordered by the navy.

The RCN is known to be investigating the possibility of acquiring atomic submarines.

Recent developments in the U. S. indicate naval thinking is switching more and more to nuclear power.

How Canadian yards would fit into an atomic building program, either surface or submarine units, is not known.

Also a moot point is what proportion of the nation's future defence spending will be available for a naval build-up.

On the commercial side, Canadian yards in common with those of the U. S. and many European countries, are experiencing extreme competition from lower-wage shipbuilding nations such as Japan.

Depressed state of the world shipping market and resulting glut of available bottoms has tended to further depress new ship orders.

In Canada another adverse factor has been demise of this country's ocean-going merchant marine.

Here is the picture of what's going on in Quebec shipyards:

Marine Industries Ltd. which has a modern yard at Sorel, Que., just below Montreal, at present holds government contracts for construction of one improved Restigouche class destroyer escort and a 204-ft. icebreaking, buoy and supply ship for the Department of Transport.

Highlight of the yard's 1958 activities was launching of the HMCS St. Croix, one of the 14 Restigouche destroyer escorts.

The St. Croix, second of class to be built, was laid down in October, 1954, and launched in November of 1956.

Marine Industries in 1958 also completed the 177-ft. fisheries research vessel A. T. Cameron which will serve in East Coast and Arctic waters.

In addition to regular facilities, the ship boasts hydrographic, chemical, biological and technological laboratories as well as a deck laboratory and fish handling lab.

Third vessel to be turned out at Sorel yard during 1958 was a 50-ft. sounding sweep built for St. Lawrence Seaway Authority. The vessel will serve at the Iroquois lock and in the International Rapids section of the Seaway.

Commercial work included the 6,000-ton tanker Maplebranch, two scows and two drill boats.

At **Canadian Vickers Ltd.,** too, work in hand as far as new ship construction is concerned is limited to government contracts.

The big Montreal yard has a contract to build the first unit in the repeat Restigouche class.

In addition Vickers has contracts for a 220-ft., 1,700-gross-ton icebreaking, buoy and supply ship for the Department of Transport and 153-ft. steel patrol vessel for the Department of Fisheries.

This winter the yard will enlarge six vessels in order to give them greater cargo carrying capacity for St. Lawrence Seaway operations.

Three, belonging to **Beaconsfield Steamship Co.,** Montreal, will be lengthened 71 ft. The other three, owned by **Hall Corp. of Canada,** will be lengthened or will have their decks raised.

Highlight of Vickers' ship construction program in 1958 was launching of two 20,500-dw.-ton ore carriers, the Alexander T. Wood and the Avery C. Adams.

The Adams was built in a record 8½ months.

In the nonshipping line, Vickers is building the "wet ends" for a number of paper-making machines.

It has also been active in construction of components for hydroelectric projects in Canada and abroad.

The company is building nine sluice gates for **Manitoba Hydro's** Kelsey generating station on the Nelson River. It is in the process of designing six spillway gates for **Quebec Hydro's** Bersimis II project.

Most of the company's extensive Seaway work—which included such items as stop logs, mitre gates, and gate opening machinery—has now been completed.

George T. Davie & Sons, a subsidiary of Canadian Vickers, has contracts for two small government vessels.

One is a 167½-ft., 705-ton sounding vessel, the other a 125-ft., 400-ton buoy vessel. Both are being built for the Department of Transport.

Work on the two ships will be undertaken this winter with spring launching planned. They will be turned over to the government in early summer.

Though the Lauzon yard repaired many vessels during 1958, it launched only one, a reinforced coastal vessel designed specially for winter navigation in the St. Lawrence.

The ship is owned by **Clarke Steamships.** She was delivered to her owners last summer.

The RCMP patrol boat Wood, delivered to the government in August, was built by Davie in 1957.

Of the four shipyards in the St. Lawrence area, only **Davie Shipbuilding Ltd.** has any major commercial orders in hand at present.

Davie, which has its yard in Lauzon, Que., is a wholly owned subsidiary of **Canada Steamship Lines Ltd.**

The company has orders for, or is working on, two 40,000-ton oil tankers, a cargo vessel, two government icebreakers and two destroyer escorts.

This makes Davie one of the most active yards in Canada at present.

One of the destroyer escorts — part of the Restigouche program—is scheduled to be completed early this year.

Contract for the second—a repeat Restigouche—was just awarded to the company and work will not get under way until late this year.

During the winter the yard's main efforts will be concentrated on construction of a 40,000-ton tanker being built for **Federal Tankers Ltd.,** Montreal, and the big, triple-screw diesel electric icebreaker under construction for the Department of Transport.

The tanker is the largest vessel ever to be built in a Canadian yard while the icebreaker is the largest ship of her kind built in this country.

This winter, Davie Shipbuilding also expects to start work on a second 40,000-ton tanker ordered by **Papachristidis Co.**

During 1958 the company laid the keel for an ocean-going cargo vessel for Canadian Steamships Ltd., it also launched and delivered: MV Saguenay, a double-ended ferry; MV Rockliffe Hall, a canaller built for **Hall Corp. of Canada;** the SS Sunrhea, an ocean-going freighter built for **Spruce Shipping Co.;** the Foundation Valour, a diesel tug for **Foundation Maritime Co.**

The smaller government icebreaker Sir Humphrey Gilbert was launched in October.

The company has orders for lengthening two Hall Corp. of Canada canallers.

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Planning to do business in Quebec?

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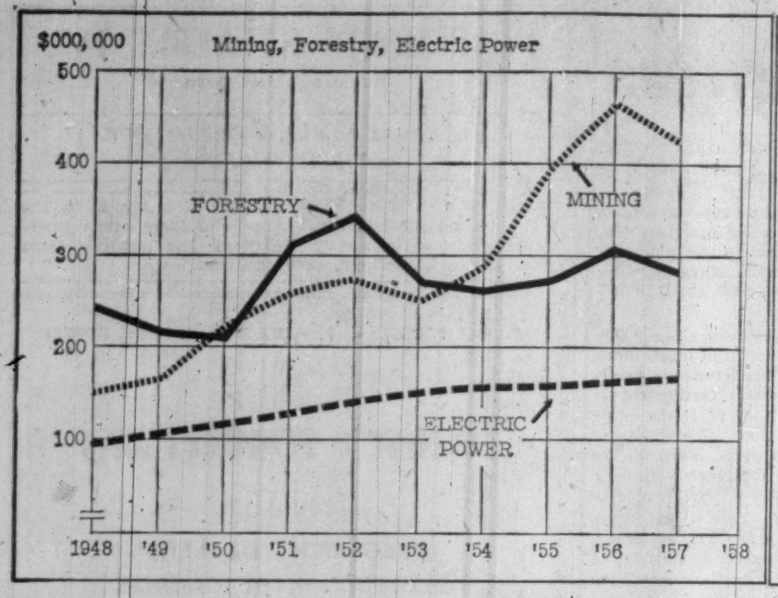

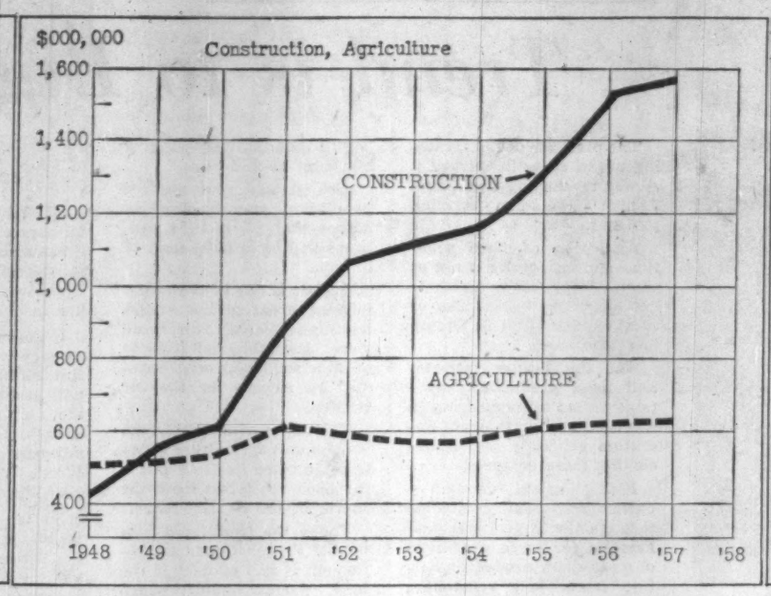

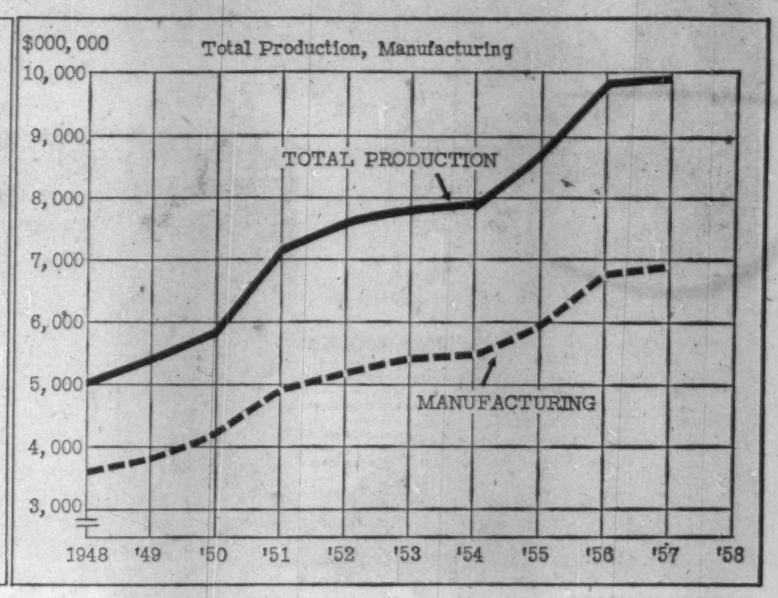

Seaway Brings New Prosperity to Quebec

Vast Tracts of Land Waiting to be Developed, Harbors Expand for Bigger Ships

By VINCE LUNNY

Alert to its opportunities, Quebec is preparing to share substantially in benefits from the $600 million St. Lawrence Seaway.

Only some 50 miles of the Seaway actually penetrate Quebec, from the Ontario border to Montreal.

But the long envisioned project this year brings a bright new look to the whole St. Lawrence River system.

The river, first navigated by Jacques Cartier in his 40-ton Emerillon in 1535, splits Quebec roughly into north and south sectors.

Along its picturesque shores, below Montreal, are such communities as Sorel, Three Rivers, Quebec City and Baie Comeau.

Around them are vast tracts of land, awaiting industrial development.

At the eastern end of the Seaway is Montreal, a busy ocean port 1,000 miles from the sea.

Preparing to share in the promise of the new era of navigation, harbor authorities are in the midst of a $65 million improvement program.

It includes a new five million bu. grain elevator and 1.5 million bu. addition to an existing elevator, plus major alterations to the whole grain elevator system to provide faster and more efficient operation.

In 1958 shipments through the Port of Montreal were some 125 million bu. An increase in grain handling is foreseen when the Seaway opens.

Most Canadian grain for export has been moving eastward by rail to the Lakehead, then to the Welland Canal by large lake ships.

It is then transshipped to canallers for the journey to Montreal. Other grain moves by rail to St. Lawrence or Atlantic ports because canal limitations have made it impossible to ship the whole quantity by water before winter.

Of the 32 million bu. sent by rail annually to the Maritimes, about 50% may shift to Lower St. Lawrence ports and the Seaway route.

According to the Montreal Research Council of McGill University, Montreal should gain 11.5 million bu. of this diverted portion.

Of the 60 million bu. sent by rail annually from Georgian Bay ports to the Lower St. Lawrence, about 50% should be lost to the Georgian Bay ports and the railways and should move to the Lower St. Lawrence through the Seaway.

Vessels carrying paper or iron ore from North Shore ports could pick up a return cargo of grain, assuring a payload in both directions.

With this end in view **Cargill Grain Co.** is building a 10 million to 15 million-bu. elevator at Baie Comeau.

The Research Council sees:

- **Little or no change** in petroleum traffic at Montreal.
- **Some gains in coal** and iron ore shipments.
- **Losses in general cargo** which Montreal now trades with overseas and the U. S. Atlantic coast.

Bulk of Montreal refinery requirements arrive through a 236-mile pipeline, linking the east end of the island with the Atlantic port of South Portland, Me. Only some eight million bbls. a year arrive by tanker.

Tankers transport refined products to marine terminals east of Montreal on the St. Lawrence River and in Chicoutimi.

They also transport raw lubricating oil distillates to Ontario for processing.

In recent years coal shipments into the Montreal area have averaged 2.3 million tons, about 50% Nova Scotia coal, 33% U. S. bituminous, 17% U. S. and U. K. anthracite. All but the U. S. anthracite (240,000 tons) arrived by water.

Outward coal movement averages 470,000 tons, about 90% by rail, mostly to the Ottawa Valley in competition with coal transhipped at the Upper St. Lawrence ports of Prescott, Brockville and Cardinal, Ont.

When the Seaway is open, Montreal will attract some of the tonnage transshipped annually through the Upper St. Lawrence ports to the Ottawa Valley.

More important effects may derive from "topping off" of European-bound vessels navigating the seaway light-loaded.

Ocean vessels now handling the coal trade range from 7,000 to 11,000 tons.

The larger ones will have to sail the Seaway light-loaded and "topping off" may involve transshipment below the Seaway of substantial tonnage.

Along the south shore of the broad, green flood of the St. Lawrence, the Seaway has helped create a boom from Valleyfield, a century-old textile centre, to Contrecoeur, where the ship channel below Montreal sweeps close to shore, providing easy access to the 35-ft.-deep waterway to the sea.

Contrecoeur, where **Iron Ore Co. of Canada** has a $4.5 million installation to handle ore bound to the U. S. from Ungava, will be the site of big steel operations by **Steel Co. of Canada** and **Dominion Steel & Coal Co.**

Other new developments are springing up opposite Montreal, among them **Candiac Corp.**, which is building a fully integrated 3,000-acre town. First industry to commence plant construction in Candiac was **Iroquois Glass,** a subsidiary of **Sogemines Ltd.**

With the opening of the Seaway and with south shore industrial and residential expansion, Montreal no longer will be a city suffocating between a mountain and a river.

It will spread across the river where new demands on water traffic should outweigh any loss in cargo handling resulting from some ocean ships sailing directly to the Great Lakes.

Many ocean ships started going to the lakes last season, others are expected to begin this year. Eventually the Seaway might be the doom of the canal-sized package freighter.

Canada Steamship Lines, which has operated a package freight service since 1915, has spent $5 million on two modern package freighters, 461 ft. long with a speed of 17 knots. Other companies also are planning larger ships, especially designed for Seaway service — and more profitable operation.

Two other shipping developments also could mean a lot to Quebec:

- **Winter navigation** on the lower St. Lawrence.
- **A possible deep-draught seaway** between Montreal and New York.

The Lower St. Lawrence and Gulf Development Association is urging fast government action on year-round shipping. Water transport from ports in the area has grown from 850,000 tons in 1952 to some 15 million.

Predicted for 1970: 35 million tons. By then traffic, now largely iron ore and forest products, should be much more varied.

Efforts to promote large-scale winter shipping extend as far up river as Quebec City.

There city officials, aggressively pushing their claims, say they could boost average annual cargo handling to six million tons. It has been averaging 3.4 million tons in an eight-month season.

There is even talk of winter navigation on the Seaway, provided researchers can find an effective method for removal of ice in locks.

Professor Elton R. Pounder, head of an ice research project at McGill University, says the Seaway could be kept open all year if Canada and the U. S. are prepared to bear the cost.

Now, much of the effective heat of the deep waters of Lake Ontario is lost in the flow through shallow channels. Strategically placed atomic reactors along the St. Lawrence might help to replace the heat. Reactors cost around $100 million.

In addition some means would have to be found to raise temperatures in the locks and to prevent breaking of lock hinges due to ice.

Professor Pounder has urged more research along these lines.

Canadian and U. S. authorities are discussing a deepened inland shortcut between Montreal and New York, using the Richelieu and Hudson rivers and Lake Champlain, a waterway first navigated by Champlain more than three centuries ago.

A 450-mile canal system

(Continued on page 48)

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GENERAL MERCHANDISE	$263,331,000	55%	$212,617,000	45%
AUTOMOTIVE	$289,800,000	54%	$247,345,000	46%
DRUGS	$ 49,836,000	70%	$ 21,562,000	30%

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Source: Sales Management's 1958 Survey

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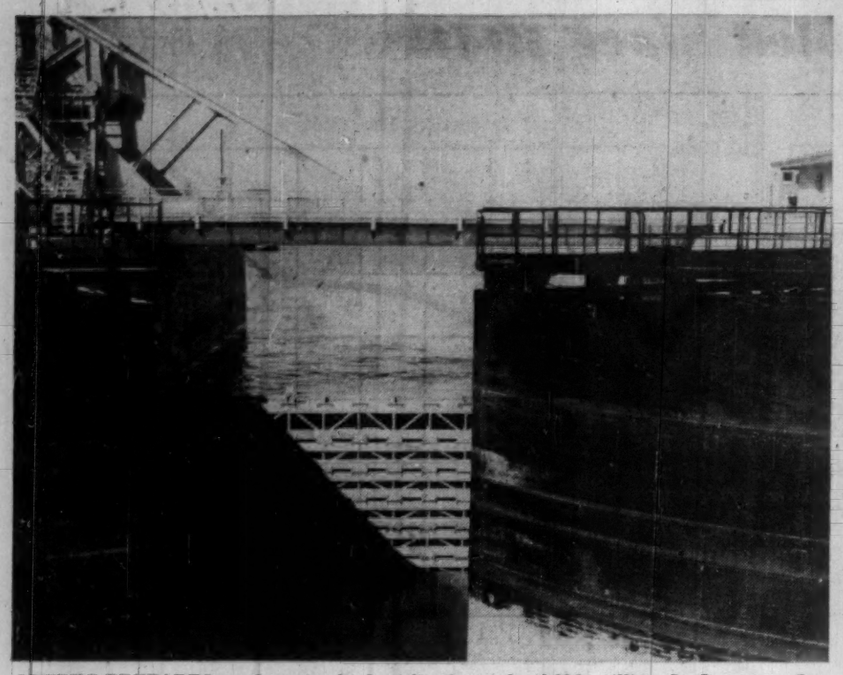

QUEBEC PREPARES to share in the benefits from the $600 million St. Lawrence Seaway. The Iroquois lock is one of the many helping to ensure smooth navigation.

Agriculture

Trend is to Bigness

The presence of fast-growing urban areas in Quebec is slowly re-shaping traditional French - Canadian farming patterns.

Alteration of farm practices and economics is not as rapid as the change in Western Canadian agriculture or as obvious as that in Ontario's rural areas.

But the broiler factories and mass production vegetable farms are appearing in Quebec too. Larger-scale operation generally also is becoming more common.

Rising urban demand — particularly that channeled through the large supermarkets—is for large quantities of meat, dairy products, poultry, fruits and vegetables, preferably produced in quantity and at lowest possible cost.

This calls for efficiency-raising measures and machinery which often increase the size of the economic farm unit.

And this tends to squeeze out the traditional small mixed farm. However, many of these still exist, particularly in areas where the farmer and his sons also engage in bushwork.

Last year saw an encouraging upturn in farm cash income in Quebec. For the first nine months of 1958, cash income was $306.2 million compared with $279 million in corresponding 1957.

If the fourth quarter shows a corresponding boost the full-year total in 1958 will be about $425 million to $430 million.

The dominance of dairy products and livestock sales shows the influence of nearby city markets.

Comparatively little grain is sold for cash—and what is goes largely for livestock feed elsewhere in the province.

Five-year (1953-57) averages show this picture for cash income:

	million
Dairy products	$169
Livestock	130
Tame hay	92
Poultry and eggs ...	61
Oats	37
Fruit and vegetables.	23
Potatoes	19
Maple products	9
Mixed grains	8

These figures are based upon cash income. Total farm production, naturally, is considerably greater, running to more than $500 million per year.

Recently Quebec has been Canada's No. 4 cash producer behind Ontario, Saskatchewan and Alberta.

In 1958, its field crops declined moderately and with few exceptions, both in yield and total production.

However, livestock population rose in 1958, with the hog population showing a big boost at mid-year.

Also at mid-year poultry population was fractionally higher than 12 months earlier, standing at more than 12 million.

Quebec is one of the oldest farming areas in the Americas. Under French rule, there were strenuous efforts to build a sound farming economy as a base for the fur traders.

This met with indifferent success, but agriculture slowly established itself by pushing back the forest from the shores of the St. Lawrence.

Today the traditional pattern of French-Canadian settlement is still evident in the long, narrow fields which stretch back from roads and rivers.

Though the nature of agriculture has changed from the old subsistence, mixed farming, its geographic distribution hasn't altered.

Nature has squeezed almost all of Quebec's farming lands into a relatively small area of the St. Lawrence Valley and the Eastern Townships south and west of Quebec City.

The remainder of the province is rock and forest, with relatively few small pockets of farming land, mostly suited only for marginal, low-income operation.

This means that farming acreage is not capable of great expansion.

Higher agricultural production, therefore, can be achieved only by altered practices and products.

And this in turn reduces the number of subsistence farms in favor of modern, larger cash - product operations.

This has reduced the number of farms in the province to about 120,000 from more than 150,000 in 1941.

By removing subsistence farmers from marginal land it has also cut the number of farm region acres to about 16 million from about 18 million in 1941.

It doesn't seem likely that acreage will fall much more. But strong economic forces will probably further reduce the number of farms — although not as sharply as numbers have fallen in the West's mechanized grain - growing districts.

So far there has been no visible indication of increasing absentee ownership, a subject which is worrying farmers in some other Canadian provinces.

Almost all Quebec land is farmed by the owner. There are few who work rented land.

In Quebec, the farmer probably comes closer than his fellows in other provinces to performing the traditional role of the man of the soil, that of being the stable, slow-changing element of society.

But change is coming more quickly now, pushed by the needs of large urban populations and modern farm practices.

Seaway Opens Up Quebec

(CONTINUED FROM P. 47)

between Montreal and New York would cut 1,200 miles from the long voyage via the Gulf of St. Lawrence.

Main bottleneck now is the Chambly Canal, a 12-mile system of nine locks.

It accommodates vessels with a 6.5-ft. draught, so that commercial traffic is limited to self-propelled barges, carrying newsprint and package goods to New York, returning with chemicals. The U. S. system has been dredged to 12 ft.

Among supporters of a deep draught project are the Quebec government and the Port of New York Authority which believes it could recoup some of the traffic it will lose to the Seaway.

A year ago planners were talking about a uniform depth of 14 ft.

They were advocating the northern terminus at Sorel, the confluence of the St. Lawrence and Richelieu rivers.

Now, it is understood, a report by British and Canadian engineers recommends a 35-ft.-deep waterway with the terminus somewhere between St. Lambert and Laprairie, giving direct access to Montreal harbor and the eastern entrance to the Seaway.

Year-Round Sport In the Laurentians

Just north of Montreal lies a big, picturesque vacationland—the Laurentian mountains—where resorts, big and small, offer a variety of seasonal recreations.

In few countries is a major city so close to a large holiday area.

Scattered through hills rising to 2,800 ft. above sea level, are 20 major resort hotels, representing capital investment of some $18 million.

There are more than 300 other hotels and inns, plus countless boarding houses, many in rustic settings. They churn millions of dollars into the economy.

One estimate: $5 million annually for transportation alone.

Deep in the eastern Canadian snow belt with an annual average fall of 125 inches, the Laurentians in winter are a skiers' paradise.

More than 70 rope tows, bars and lifts dot the hills.

Costing $2.5 million to install, these facilities can accommodate 109,000 skiers an hour, hoisting them effortlessly uphill and conserving their energies for the breath-taking downward dash.

Winter activity, which includes curling, sleigh riding and dogsled racing, reaches its peak during the annual carnival which this year opened on Jan. 23 and will run to Feb. 10.

In summer recreations include all the nautical and aquatic sports, tennis, archery, skeet shooting and, of course, golf on tricky courses, hewn out of the wilderness and presenting enough natural hazards to try even the most accomplished shotmaker.

The woods in season provide fair game for the hunter and more than 1,000 lakes, some of them stocked by provincial authorities, afford opportunities for fishermen to test their skill with rod and reel.

Two developments are expected to bring more visitors to the Laurentians this year:

- **The opening of the Laurentian Autoroute,** a 30-mile toll highway, linking the northern fringe of Montreal with St. Jerome in the foothills.
- **The development by the provincial government of Parc Tremblant,** a camping site 90 miles north of Montreal.

Designed to handle 100,000 cars a day, the $60 million autoroute will, it is estimated, reduce travel time to St. Jerome from an hour and a half to 30 minutes.

The present route, winding through congested areas, has 43 intersections, 19 traffic light installations, and 30 mph restrictions through 14 villages.

Situated in an area of 50 lakes, Parc Tremblant opened late last season and response was overwhelming. With further development of camp sites, it is expected to become a mecca for family vacationists.

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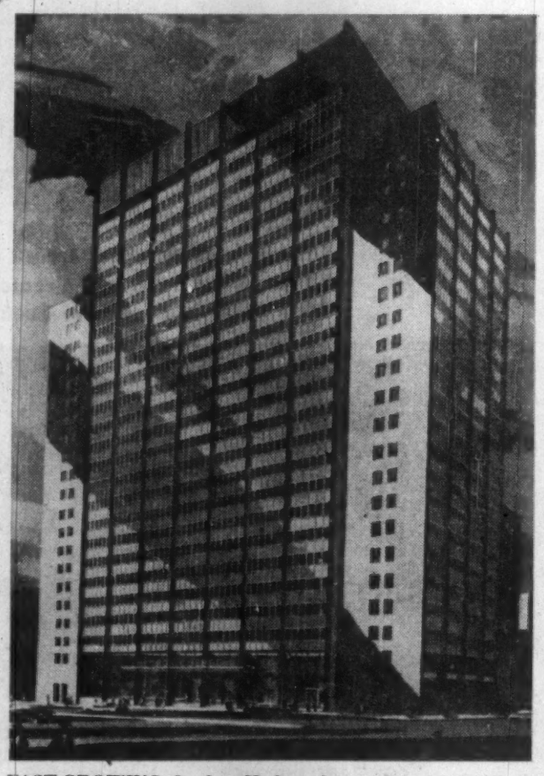
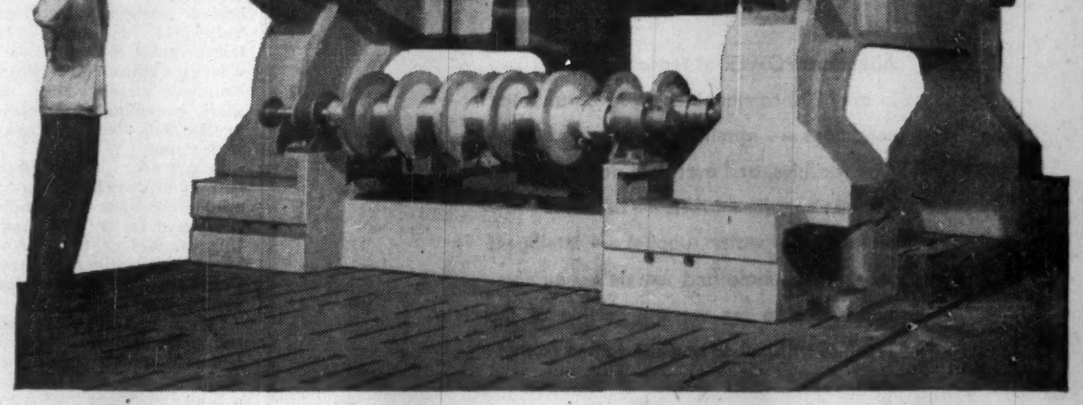


FAST-GROWING Quebec Hydro plans a new head office, a 24-story building on Montreal's Dorchester Blvd. The 350-ft. structure will consolidate Hydro offices presently scattered through the downtown area. A feature will be an underground power substation, reportedly the largest in the Americas. Also: Five underground parking floors, room for 250 vehicles. The underground substation will provide something new in heating. Losses from the transformers will heat the new building; there will be no boiler room. For very cold periods, an auxiliary heating service will be available.

"I thought you only built locomotives"



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QUEBEC LABOR plans a more active part in provincial politics. It is also concentrating on bringing wages up to the same level as Ontario.

Quebec Unions

Fight to Increase Wages

By JACK McARTHUR

Quebec's emergence from a rural to an industrial economy has been marked by some severe labor problems.

Time and again in recent years the organized labor scene flamed into bitter and sometimes violent fights between labor and management or — often enough — between one union and another.

Quebec's unions are now concentrating on bringing wage levels up to those of Ontario. Labor plans a more active role in provincial politics as well.

Few parts of fast-changing Quebec have altered as quickly as has the mood of labor. Last year, a troubled and rowdy labor year across most of the nation, saw Quebec setting a pattern of generally friendly union-management relations.

A total of 1,856 labor contracts were signed under the Quebec Labor Relations Act during 1958 — covering 248,761 employees.

Of these, 75% were settled without any recourse to outside agencies, another 18% after conciliation and less than 6% after arbitration.

There were only 23 strikes during the year, compared with 131 in 1944 when only 91,472 workers came under labor contracts.

Important to the general peace has been the apparent end of the long-standing dispute between the province's two major labor bodies — the Canadian and Catholic Confederation of Labor and the big international unions, mostly members of Canadian Labor Congress.

The "war" between the two union forces was in many ways typical of the unhappier side of Quebec's transition into today's lively, urbane and powerful giant.

CCCL has its roots in the oldest Quebec traditions.

In its early days its connection with the church was strong. Catholic universities — particularly Laval — were producing both priests and laymen well-versed in the theories of union affairs.

CCCL was a direct result of the church's decision in the 1920s to take a more active and positive role in day-by-day events.

It was an attempt to influence, and support, the workers who otherwise might be attracted to the teachings of Marx.

Another important factor was CCCL's almost completely French - Canadian makeup. At a time of distrust of the outside world, CCCL appealed to the more insular characteristics of Quebec workers.

It was understandable that when — some 20 years later — the major international unions looked to Quebec's many new members, CCCL should be greatly opposed to any invasion.

But CCCL couldn't really compete. In clash after clash the internationals came out on top.

It had the effect of splitting CCCL membership into two main camps, those favoring a last-ditch stand and others who suggested merger with Canadian Labor Congress.

Merger talks have been going on now for years, at first within the CCCL and then, during the last two years, between CCCL and CLC representatives.

The result has been a CLC-CCCL truce — and a far quieter union scene than Quebec industrial relations men can remember in recent years.

A significant factor in wearing down the last opposition inside CCCL to merger has been growing union antagonism toward the National Union government of Premier Duplessis. Rightly or wrongly, many unions feel Duplessis favors management.

This belief has produced plans for a major excursion into the political field by both internationals and CCCL unions.

Officials of both CCCL and Quebec Federation of Labor — CLC representatives in the province — are combining on a political campaign.

Roger Provost, QFL president, explained to FP that the first stage of the campaign would be centred on an education program both for union members and the general public.

This would lead, he feels, either to active labor voting for an opposition party or possibly the creation of a new labor party within the province.

Either way union leaders have been able to make the political movement a rallying point for the conflicting union groups in Quebec.

Observers of Quebec labor are watching this year's opening of the Seaway with interest. It promises to play an important role in union affairs.

If the much-publicized bid to control Seaway labor is made by International Brotherhood of Teamsters, backed by the Longshoremen's Association and Seafarer's International Union, it could mean labor headlines along the whole shoreline of the St. Lawrence River.

In the forests and paper mills, the CLC-affiliated International Brotherhood of Pulp, Sulphite and Paper Mill workers is expected to keep up its membership war against CCCL — despite the peace movement elsewhere.

But more important to cost-worried companies will be the steady struggle by all the unions to raise wage levels in the province.

Lower Quebec labor costs have long been an attraction to certain industries. The unions now feel the industrial base has been established and that it is time to improve wages, relative to the rest of Canada.

Quebec pay packages are actually thinner than the national average (see table) and are well below Ontario.

The September DBS weekly wages average shows Quebec ($67.77) running ahead of Newfoundland and the Maritimes; close behind Manitoba ($67.88) and Saskatchewan ($69.51); and well behind Alberta ($73.60), Ontario ($73.61) and B. C. ($76.01).

Parity with Ontario is the main labor ambition. Quebec union heads concede conditions in the western provinces — particularly B. C. — are such that a direct wage comparison is unrealistic.

Wages Trail National Average

Average weekly earnings for September, 1958

	Quebec $	National Average $
Forestry	62.41	70.37
Mining	80.46	86.02
Manufacturing	68.08	72.43
Construction	70.67	76.08
Public Utilities	75.78	84.16
Industrial Composite	67.77	70.72

Source: DBS.

The Ideal Test Market

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- The English radio station CKTS operates on a frequency of 900 kc. with a new increased power of 1,000 watts, and is a CBC Dominion Network affiliate.
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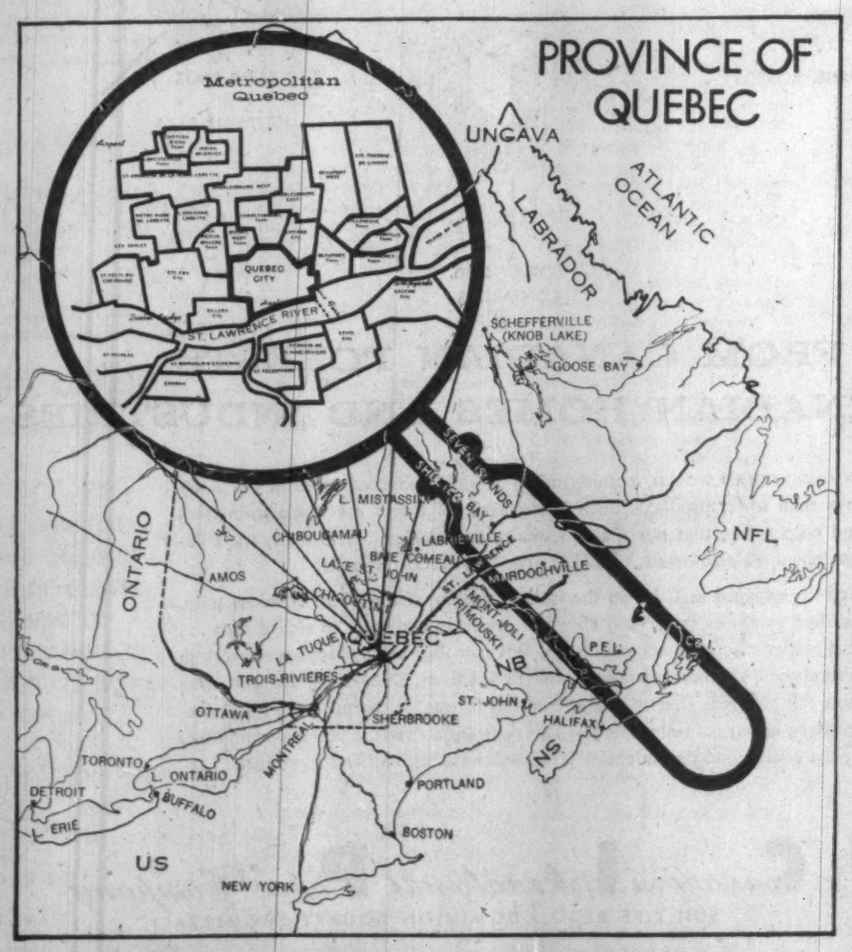
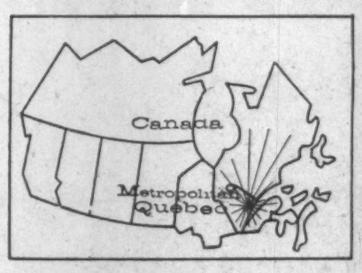
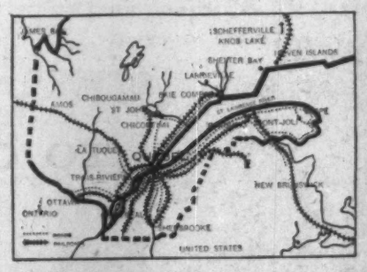


GATEWAY TO THE ST. LAWRENCE SEAWAY





COMMERCIAL INFLUENCE

With a population of 450,000 within a radius of 25 miles, Metropolitan Quebec, seventh largest Metropolitan area of Canada, is the distribution centre for a territory doing $795,000,000 in retail sales. Its economic influence extends over a territory inhabited by 1,500,000 people.

HUB OF TRANSPORTATION FACILITIES AND WINTER NAVIGATION

Metropolitan Quebec is a terminal point for both the Canadian National Railways and the Canadian Pacific Railway.

Modern Highways fan out to Montreal, the Eastern Townships, the U. S. A., Gaspe, the North Shore, and Lake St. John.

Quebec harbour is the first major harbour on the way up the St. Lawrence River. At the meeting point between ocean and river navigation, Quebec's deep water harbour, is accessible the year round.

Quebec is linked by Trans-Canada Air Lines with other major cities in North America and the rest of the world, while towns in Northern Quebec and the South Shore are served by Quebecair, T. C. A. and Nordair.

AMPLE ELECTRIC POWER

Strategically located in the centre of one of the world's largest concentrations of hydroelectric power, Metropolitan Quebec is in a unique position to supply ample electrical power at low cost. Continuity of supply is insured by the existing 9,000,000 HP-capacity generating stations, the 2,200,000 HP under construction and 4,500,000 HP in the planning stage.

STABLE MANPOWER

Traditionally faithful to their birth place, Quebecers constitute a stable manpower. A great proportion of them come from rural families. They are known as loyal, versatile and industrious employees. Their number is increased from year to year as groups of specialists trained in various technical, art and trade schools join their ranks.

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THE NORTH SHORE is one of the most exciting economic success stories in Canada. Millions are being spent in the interior with Baie Comeau one of the fastest growing areas.

Mining

Vast Mineral Potential

Quebec, already prosperous and mineral-rich, is on the threshold of far greater mining development.

The vast mineral potential just now coming to light in its sparsely settled north promises to make Quebec one of the free world's most important mining areas.

One of the brightest stars on the world's mineral development horizon is Quebec's iron ore.

Projects under development or in the planning stage could well double the province's iron ore output in less than a decade.

During the next few years iron-ore developments will result in expenditures of several hundred million dollars, construction of new railroads and a St. Lawrence River harbor as well as establishment of several new settlements.

In addition to iron ore, an extensive hunt is also under way for copper, nickel, zinc, silver and gold.

Important new base metal finds are expected this year, especially in the hot Mattagami area.

In addition there should be further exploration results from the Cape Smith-Wakeham Bay nickel-copper belt which made initial big mining news early in 1957.

There is also renewed activity in the well-established Chibougamau camp.

In Southeastern Quebec there has been a step-up in asbestos mining operations with two new producers coming into operation last year.

A number of other asbestos-makers are expanding and modernizing operations.

At present, iron ore steals the spotlight.

Preparing its appearance on the production horizon is **Quebec Cartier Mining Co.,** a wholly owned subsidiary of **U. S. Steel Corp.,** which is spending $300 million to bring large low-grade iron ore deposits in the Mt. Reed area into production by 1961.

The deposits are some 200 miles north of Seven Islands, located southwest of **Iron Ore Co. of Canada's** Knob Lake iron fields.

To get into production, Cartier is building a 200-mile railroad from Shelter Bay, 25 miles west of Seven Islands, to the ore fields.

In addition a new deep-water harbor — named Port Cartier — will be established at Shelter Bay. Contract for its construction was recently awarded to **Canit Construction (Quebec) Ltd.** and **A. Janin Cie Ltee.**

Two new townsites housing a total of 5,000 people will also be built. One will be at the mine-site, the other at Port Cartier.

At Mt. Reed, ore will be mined by open pit. It will be beneficiated and pelletized for shipment.

Power for the townsite, mining and beneficiating operations will be supplied by 60,000-hp hydro development on the Hart Jaune River.

Present plans, it is understood, call for initial production at the rate of eight million tons of pellets annually with production capable of being increased to 12 million tons later.

Much farther to the north on the cold rocky shores of Ungava Bay other potentially huge iron ore projects are taking shape.

The world-known **Rio Tinto Mining** organization has a large iron deposit in **Oceanic Iron Ores** awaiting markets and financing.

Ungava Iron Ores Ltd. — jointly owned by Cyrus Eaton - controlled companies and the **Krupp** interests of Germany—hopes to tap low-grade iron ore deposits outlined in the north tip of the province.

Under terms of a concession granted by the Quebec government, the Eaton-Krupp group has until mid-year to decide whether to proceed with the project or not.

Present plans call for open-pit mining of low-grade ore which would be beneficiated at the mine-site for water shipment, principally to overseas customers.

As shipments could be undertaken only during the four summer months, stockpiling at the mine, in Europe or at an intermediate point would be involved.

Initial production would be at the rate of five million tons of pellets annually. Over-all cost of the project is estimated in excess of $200 million.

In 1958 Quebec added another, though comparatively small, iron ore producer to its ranks. **Hilton Mines** (50% owned by **Steel Co. of Canada**) brought a property in the Hull area into production.

Output is at a rate of 600,000 tons of pellets annually.

On the Quebec-Labrador border, northeast of Mt. Wright there is also big iron ore interest.

Wabush Iron Co. — controlled by **Steel Co. of Canada, Interlake Iron Corp., Picklands, Mather & Co.** and **Youngstown Sheet & Tube**— is preparing for production a property leased from **Canadian Javelin Ltd.**

Contracts for completion of a 42-mile rail spur from the mine-site to mile 224 of **Quebec North Shore & Labrador Railway** (an IOCO subsidiary) were recently let.

Recent reports indicate decisions as to the beneficiation process to be used and location of the plant have not yet been made. It will take at least two years to bring the property into production. Over-all cost is estimated in excess of $200 million.

In the same general area, Quebec's iron ore giant, Iron Ore Co. of Canada, is making extensive expenditures to prove-up a body of low-grade ore at Wabush Lake.

A $150 million plant capable of producing five million to six million tons of high-grade pellets reportedly is under consideration.

Due to the depressed state of the steelmaking industry in both Canada and the U. S. for much of last year, shipments from IOCO's mines which straddle the Quebec-Labrador border at Schefferville fell to just over eight million tons. They were 12.4 million tons in the previous year.

Company officials report 1959 shipments are expected to be somewhere between these two figures. Extent to which this year's shipments will approach 1957 levels depends on sustained recovery of the U. S. steel industry.

Unlike other Quebec iron ore projects, both operating and in planning stage, IOCO ore is of the direct shipping variety. It has sufficient iron content to make upgrading or beneficiation unnecessary.

The firming of copper prices late in 1958 spurred renewed interest in this metal.

In the now well-established Chibougamau camp, capital expenditures exceeding $12 million are planned.

Copper Rand Chibougamau Mines is planning a 1,500-ton mill. Production is scheduled to start in October.

There is a good possibility that the mill will also handle ore from **Chibougamau Jaculet** and **Bouzan Mines.** Chib Jac, which has already spent over $3 million on its property, will spend $500,000 this year to get into production.

Also in the Chibougamau camp, **Opemiska Copper,** the area's first producer, is nearing the end of a $5.5 million expansion program. Further expenditure of $500,000 should result in doubling of the mill's capacity to 2,400 tons.

During 1957 **Merrill Island Mining** brought a 650-ton mill into production.

So far this year the big hunt for copper and other base metals appears concentrated in the Mattagami area, west and slightly north of Chibougamau.

The Watson Lake discovery of the **Mattagami Syndicate** being developed by **Noranda, McIntyre** and **Canadian Exploration** is in a new company—**Mattagami Lake Mines.**

Far to the north in the Ungava, exploration is still being undertaken in the belt of nickel mineralization which cuts across the very tip of the province from Hudson Bay to Ungava Bay.

There has been comparatively little news out of this area in the past year.

In the Eastern Townships, work is proceeding on a number of placer gold prospects. Early last year upward of 2,000 claims were staked in the vicinity of the Chaudiere River and its tributaries.

During 1958 there was a major expansion in Quebec's asbestos industry with two new companies joining the ranks of the seven existing producers. Quebec produces more than 60% of the free world's asbestos.

Late last fall, **Lake Asbestos Ltd.,** a wholly owned subsidiary of **American Smelting & Refining Co.,** brought its $36 million Black Lake mine into operation.

Production will be at the rate of 100,000 tons per year, increasing Canadian output 10%.

The company plans to market half its output in the U. S., the balance in Europe, Latin America, Japan and Australia.

While Lake Asbestos is a wholly owned subsidiary of ASARCO, **United Asbestos Corp.** owns the mine. Under agreement, ASARCO operates the mine on a profit-sharing basis with United.

Second producer to enter the field is **National Asbestos Mines Ltd.,** a subsidiary of **National Gypsum Co.,** which opened a 3,000-ton-per-day plant last summer. Annual output is expected to be about 50,000 tons of asbestos fibre.

A third producer, **Carey-Canadian Mines,** brought its new $9 million Carey mine and mill into production last year. The mill has a capacity of about 3,000 tons per day.

The new operation replaces the mine and mill of **Quebec Asbestos Corp.** Both mines are subsidiaries of **Philip Carey Manufacturing Co.,** Cincinnati, O.

Asbestos Corp. is now in the final stages of a major conversion program in which

(Continued on page 62)

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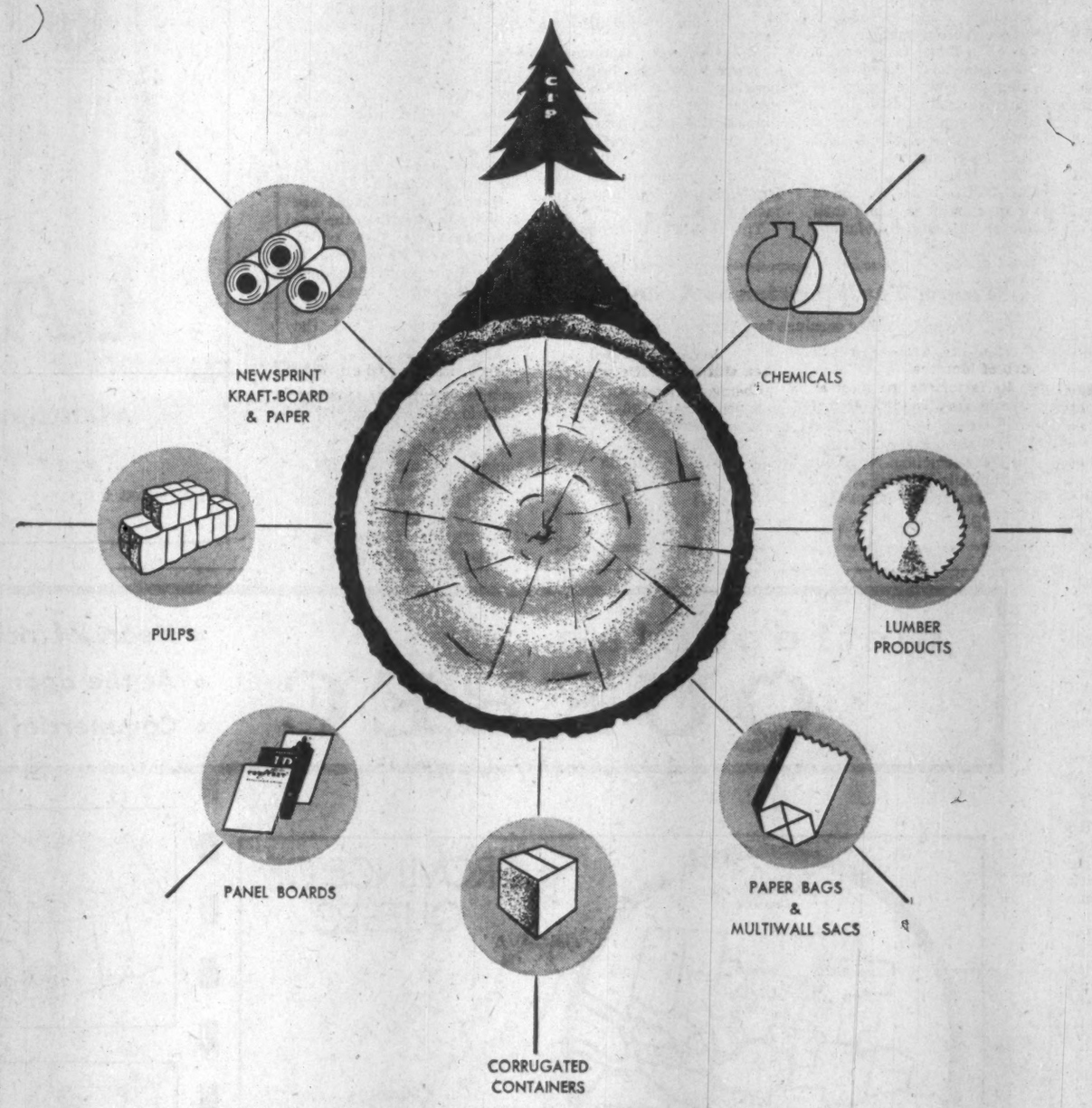

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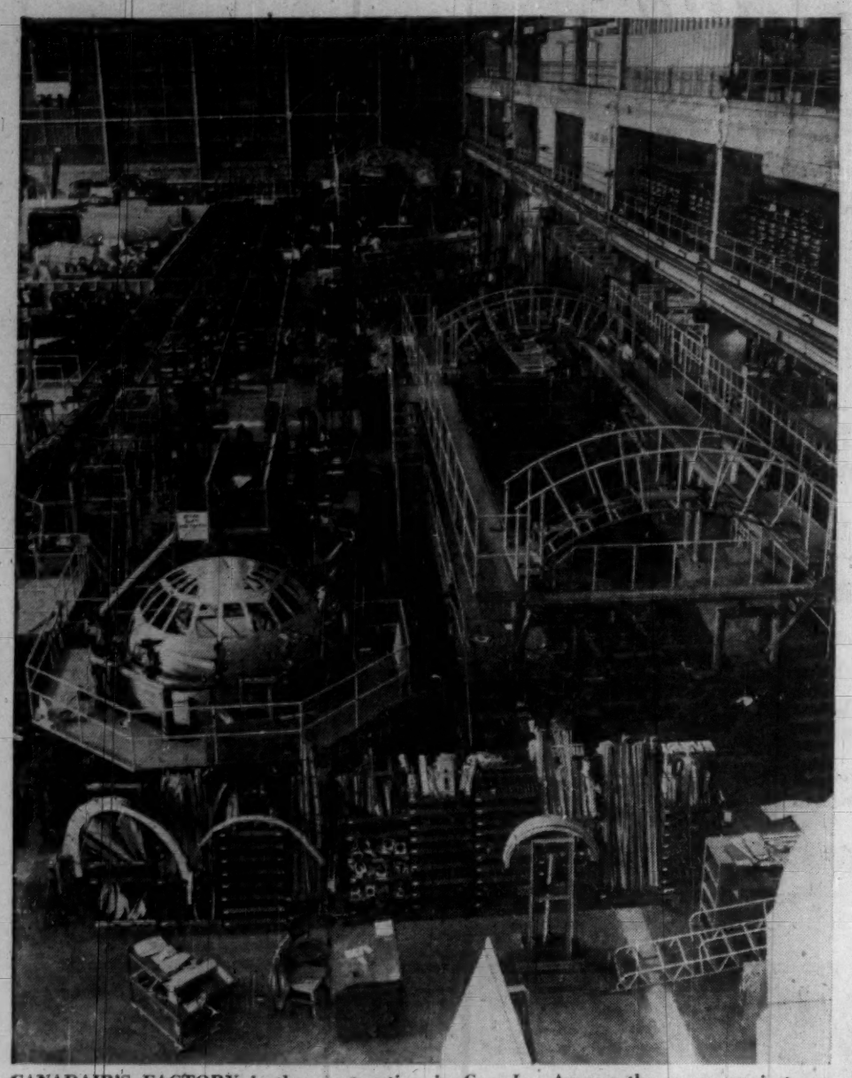

CANADAIR'S FACTORY is the most active in Canada. Among the many projects on hand is the giant four-engined turboprop airliner, the CL-44.

Aviation

$100 Million Decision

Next week navigation experts from all over the world will assemble in the Montreal headquarters of International Civil Aviation Organization to make a $100 million decision.

Their job will be to make a decision on the tricky subject of which navigational aid will become standard for the world's airlines.

Such meetings are routine in Montreal — official world capital of civil aviation.

Both ICAO, an organization of governments under UN auspices, and International Air Transport Association, made up of world airlines, make Montreal their home base.

A large chunk of Canada's aviation industry is also centred around the city.

These factors, plus growing use of Montreal Airport by overseas airlines, contribute to the important role played by aviation in Quebec.

The leading companies in the province are **Canadair Ltd., Canadian Pratt & Whitney, Bristol Aeroplane Co. of Canada** and **Rolls-Royce of Canada.**

Canadair employs over 10,000 at its sprawling plant at Cartierville, a northern suburb of Montreal.

Its factory is the most active in the Canadian aircraft industry. At present it is building or testing:

- **The CL-44, a giant four-engined turboprop airliner** and freighter intended for both civil and military markets.
- **The CL-28 Argus, an anti-submarine patrol bomber based — like the CL-44 — on the Britannia airliner.** Fifty are being built for RCAF. Company hopes to sell others, possibly to New Zealand.
- **The CL-41, a two-seat jet trainer with a possible four-seat executive version** planned. Originally intended to fly late last year, the aircraft has been delayed until a suitable small jet engine is available.
- **The CL-66, a turboprop version of the Convair 440 piston-engined airliner.** Like the CL-44, this design is aimed at both the civil and military markets. First 10 produced are going to RCAF transport units.
- **A vertical take-off project, still secret.** Design work is being carried out jointly by Canadair and government engineers in Ottawa.
- **The Rat, a desert or snow articulated vehicle built for the Canadian Army,** is also a potential item for overseas and Canadian civil operators.

Until the **Avro** Arrow program was changed last fall, Canadair was busy in the guided missile field. Its project was the Sparrow 2 air-to-air missile.

As no new missile projects have appeared, Canadair entered an arrangement with **Boeing Aeroplane Co.** in Seattle to send 150 top engineers there for missile work.

The aim is to maintain the Canadian team in being until it's needed here.

Across the river from Montreal, on the South Shore, is factory of Canadian Pratt & Whitney. Its operation is divided between engine production and helicopter assembly and overhaul.

Company is now producing the R-1340 Wasp engine, a well-proven design, and is the sole world source.

Production is also being carried out on the R-1820. Both these engines are used in aircraft produced by de Havilland at Toronto — the R-1340 in the Otter bush plane and R-1820 in the Tracker antisubmarine patrol plane.

Spare parts production is carried out for both engines, plus the R-985, R-1830 and R-2000. This has led to substantial export orders to countries which use the engines.

As the Canadian representative of **Hamilton Standard** and **Sikorsky,** company is also engaged in the manufacture of propellers and helicopter airframes.

Original design work was carried out on a small jet engine by Canadian Pratt & Whitney with an eye to its acceptance by Canadair to power the CL-41. Development has now been taken over by the parent company in the U. S.

If it gets the nod to go into the CL-41—and if the CL-41 enters quantity production— FP understands the Canadian company will start production of the engine.

Plant now has 700,000 sq. ft. of available floor space.

Rolls-Royce of Canada has added 27,000 sq. ft. of space to its plant on Cote de Liesse Rd. near Dorval airport. This makes room for a new turboprop test cell.

Company has now started overhaul work on the many Dart engines in use in North America powering Viscounts and Friendships. A number of other aircraft coming into production will be using the engines.

By 1961 **Trans-Canada Air Lines'** entire fleet will be powered by Rolls-Royce turboprop or straight jet engines.

While TCA is building its own overhaul facility at Dorval, Rolls-Royce expects to be kept busy with after-sales service on Conway and Tyne engines.

Bristol Aeroplane Co. of Canada, recently gave its organization a new look (FP, Jan. 17).

Its operating companies are now divisions of **Bristol Aero Industries Ltd.** Under the new arrangement Montreal is the base of the parent company and one division—**Bristol Aero Engines Ltd.**

Company is now seriously considering changing over at least part of its Montreal factory to nonaviation work, probably production of industrial machinery.

It is also hoped that a certain amount of engine overhaul work can be carried out for foreign airlines using Montreal.

Quebec is home for scores of companies forming the backbone of the aviation subcontracting industry.

One of these is **Jarry Hydraulics** which has grown in a few years from an adjunct of an automobile servicing operation, into a world leader in the complicated business of aircraft hydraulics.

Jarry has designed and produced components for Canadair's big plane fleet and Avro's supersonic Arrow interceptor.

Aviation electronics firms are also well represented in the province. A number were working with Montreal-based **RCA Victor Co.** on the **Astra** fire control system for the Arrow.

Another Montreal electronics firm, **Canadian Marconi Co.,** has made key sales of a new radar navigation system for air liners to **Pan American World Airways** and **KLM.** A number of other world carriers are now evaluating the Canadian-designed and built system, called Dagmar.

Military aviation plays a big role in the province. St. Hubert airfield just south of Montreal is headquarters for RCAF Air Defence Command and a crucial link in the chain of command of North American Air Defence Command.

At Lachine, Air Transport Command is now closing up its headquarters prior to moving to Trenton, Ont. Dorval airport is the main base for Air Force long-range transport operations.

Survey work is under way on a new site for Bomare guided missiles to be stationed in Northern Quebec.

A growing network of air transport services links the northern and eastern mining developments in the province.

Montreal 'Players' Truly International

By CLIVE BAXTER

Theatre-goers in Moscow this fall may get a chance to see a vibrant troupe of French-Canadian players.

Negotiations for the trip by Montreal's Theatre du Nouveau Monde are now under way.

If it comes off, chances are Muscovites will love this lively company which since 1951 has been taking Quebec's special brand of theatre outside the province — and collecting scrapbooks full of warm notices from some of the toughest critics.

A glance through the reviews in New York, Paris and Brussels papers during the company's tour last summer shows a general enthusiasm not usually accorded out-of-town visitors.

Theatre du Nouveau Monde — TNM to Quebecers — is a young organization that draws heavily on the older French traditions of Quebec theatre.

It was formed in 1951 when two young Montreal actor-producers decided that French-Canadian theatre needed a rallying point other than CBC-TV which, until that time, supplied the only steady work for actors and playwrights.

The pair—Jean Louis Roux and Jean Gascon—were long on good ideas but short on cash. This is the basic problem that troubles the majority of young Canadian theatre ventures.

An approach was made to a Montreal lawyer, Mark Drouin, who has since become speaker of the Canadian Senate.

Drouin agreed to line up 10 businessmen each willing to guarantee the company at the bank against loss to the extent of $500 each.

It is TNM's proud boast that it never had to use any of this money — an unusual success in Canadian live theatre.

Things started quietly. For the first six years of operation, the group used the tiny basement Gesu Theatre under the church attached to the College Sainte-Marie.

Sometimes the matinee performances were played against the distant sound of the pupils' voices chanting a litany.

The group first made an impression outside Quebec in 1955 when it traveled to Paris to take part in that city's International Festival of Dramatic Art.

Competing with Chinese dancers and German singers, the Canadian troupe drew a major share of public attention.

For many Europeans it was the first indication that Canada had any theatre at all.

Roux and Gascon had gambled heavily by including three Moliere farces in the repertoire. French critics were ready to be scathing about a new company that dared to perform Moliere on the author's home-ground. Instead, they applauded an original and exciting approach.

This success led to offers of tours to other European centres and as far afield as South America.

The following year TNM again set out from its Montreal headquarters, this time for Stratford, Ont. Again they took with them the three Moliere plays that had won such warm reception in Paris. And again they met with success.

More booking offers came in. New York was added to the list. A coast-to-coast Canadian tour was discussed.

The team returned home, excited but plagued again by money problems. They could not meet the heavy costs of such a tour.

Help finally came from three sources. The Canada Council, Quebec Provincial Government and the Greater Montreal Council of Arts together gave some $50,000 to help with the tour.

It wasn't really enough—in fact TNM ended up paying $25,000 of its own money for the 1958 outing—but it did allow plans to go ahead.

From April to early November the group was on the road.

First stop was the Phoenix Theatre in New York, where the Stratford company had played earlier. The New York critics were generous with their praise.

The New York Herald Tribune's influential review-

(CONTINUED ON P. 52)

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On September 8th, 1957, LA PATRIE raised its per copy price from 10c to 15c. As is usual in such cases, circulation took a dive.

And then came the rebound!

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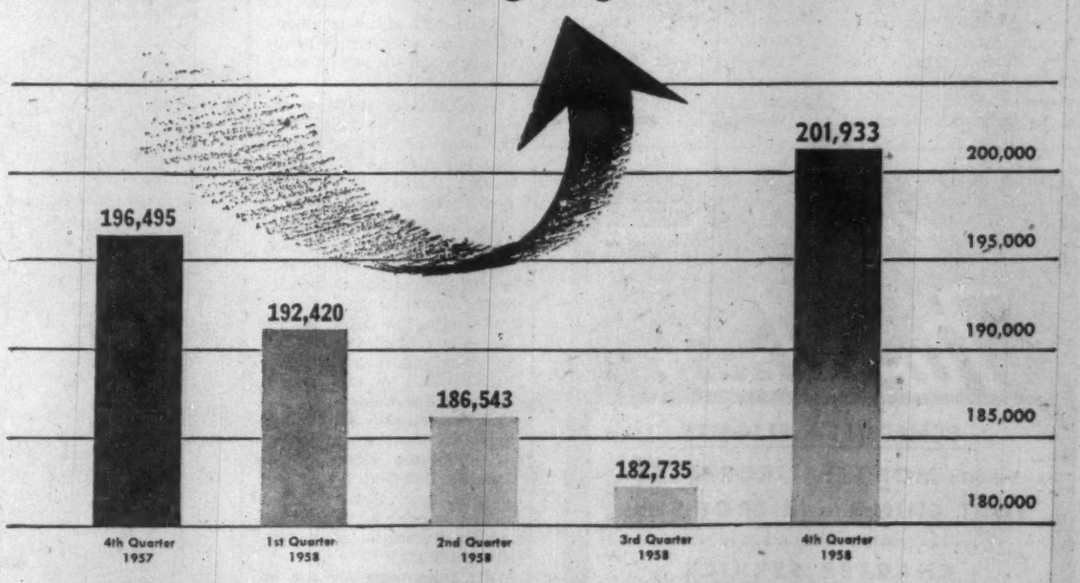
And it is still going up!



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CANADA'S MOST COMPLETE FRENCH NEWSPAPER-MAGAZINE

MOSCOW MAY SEE this vibrant group of Montreal players. Negotiations by Theatre du Nouveau Monde are underway.

Moscow May See Montreal Group

(CONTINUED FROM P. 51)

er, Walter Kerr, was moved to muse in his column:

"The French classic tradition is cheerfully, judiciously served by these Twentieth Century stylists.

"I like to keep thinking of what may one day happen when Canada's two handsomely sustained theatrical strains—French and English—meet and influence one another. Something fairly spectacular, I expect."

The end of May saw TNM on the stage of the Sarah-Bernhardt theatre in Paris. And again the French audiences enthused, both over the classic productions and a new play, Le Temp des Lilas, by Montrealer, Marcel Dubé.

A quick European tour followed, a second stay in Paris, and TNM was on its way back to Canada for an extended coast-to-coast series of performances.

The company recognized its importance and was anxious about how French-language theatre would fare in Canada outside Quebec or the sophisticated atmosphere of Stratford.

As an insurance they had added an English-language version of Le Temps des Lilas with the same cast — a bilingual feat TNM has always insisted upon.

"But we needn't have worried," Roux told FP. "Right across the country the theatres were well filled and the public wanted to see the French productions. It was a wonderful experience."

The tour ended Nov. 4 in Ottawa. The record book showed 94 performances of three plays in two continents, four countries, 20 cities and 21 theatres (two in Paris). Some 20,000 miles lay behind.

At present the group is busy playing in Montreal's Orpheum Theatre, its latest and biggest home. Plans call for a limited tour to Quebec City and Maritimes cities later this year.

The Moscow trip is now being discussed between Department of External Affairs and the Russian Government —which is anxious to have the visit.

If it comes off—and if the necessary funds can be found — Yugoslavia will probably be added to the itinerary. The South American trip, too, is still under active consideration.

There are still a lot of things to be done before TNM meets all the early requirements laid down by its founders.

It still lacks a permanent home, something it hopes to rectify soon.

And the shortage of funds still means financial loss for actors who leave the security of regular television work to take French-Canadian theatre outside their province.

But at the start of its ninth year, TNM is a thriving and active affair, playing an increasingly important part in the cultural life of Quebec.

Construction Awards Up 48%

Construction awards in Quebec in 1958 passed the $1 billion mark.

The increase over 1957 was 48% compared with a boost of almost 100% in the Maritimes, 13.5% in Ontario and 5.8% in the western provinces.

Quebec's outlook: Continued buoyancy with the uptrend at a slower rate.

Much will depend on volume of industrial construction. If figures for first quarter business show an upturn, many firms will resurrect expansion plans shelved in 1958 and 1957.

Residential construction showed wide gains last year with Montreal accounting for some 70% of Quebec volume.

With a look to the future, past president Michael Langelier of the Montreal District Home Builders Association says:

"We can be very optimistic."

But here is a sobering fact:

• **The province may not be able to absorb another 45,000 starts,** 31,000 of them in Montreal.

The 1959 construction boom is more likely to have to depend upon vast commercial building projects, including the **Webb & Knapp** development of Ville Marie Place and the Windsor Plaza, featuring the **Bank of Commerce** skyscraper.

Construction of institutional buildings will play a big part.

A $140-million-plus hospital expansion program is under way in the province and experts, scanning the plans, say proposed expansion won't be enough to meet soaring demands for facilities, spurred by widening health and hospitalization insurance.

A typical building program is being pursued by Montreal's Royal Victoria Hospital. It involves expenditure of $20 million over five to seven years.

The Royal Vic has built a medical wing for $10.2 million, is erecting a new 245-bed wing and contemplating other capital expenditures of $5 million.

St. Luke's Hospital inaugurated a $10 million program in 1958 and Notre Dame Hospital started a 14-story nurses' residence as part of an $8 million plan.

Other construction by hospitals in the area includes:

St. Justine, $4.8 million; St. Francois Xavier Cabrini, $3 million; and Queen Elizabeth, $3 million.

Throughout Quebec, beyond the metropolis, hospital construction is nearing the $50 million mark.

Included are two buildings for mental patients — a $15 million project at Sherbrooke and a $10 million project at L'Annonciation.

Universities will add impetus to construction, too. McGill, for instance, has a 10-year plan to spend between $40 million and $50 million.

A big chunk of the construction dollar is going into highways, streets and municipal engineering projects.

The provincial government's road expenditures this year are expected to be as large as 1958's $100 million.

In addition nearly $60 million is being spent on the Laurentian Autoroute, a toll road which when completed this year will span the 30 miles from the congested northern fringe of Montreal to St. Jerome, gateway to picturesque mountain playlands.

Two sections were opened early this winter—a six-mile stretch linking the island with the mainland town of Ste. Rose, and the St. Jerome bypass.

With work on the St. Lawrence Seaway almost finished,

(Continued on page 53)

Aluminum Still Expanding

There is much excess aluminum capacity in Quebec, one of the world's largest producers of the lightweight metal.

Yet two expansion projects continue:

• **Aluminum Co. of Canada**—subsidiary of **Aluminium Ltd.**—is progressing on schedule with its million-hp hydro project at isolated Chute des Passes, aiming for first power in mid-year.

This will provide power for additional ingot capacity, when needed.

• **Canadian British Aluminium Co.** is completing Stage 2 of its Baie Comeau smelter this year, bringing annual capacity to 90,000 tons. Eventual planned capacity: 180,000.

These projects testify to optimism about future demand.

Quebec has about four fifths of Alcan's smelting capacity of 770,000 tons. The remainder is at Kitimat in B. C., which eventually is expected to grow to 550,000 tons.

However, this growth as well as planned smelter expansion in Quebec awaits an upturn in markets and decisions by the company on postponements announced in 1957.

Alcan presently has in Quebec four smelters, a fabricating plant, six powerhouses.

Recently operating at about two-thirds capacity, it is in excellent position to meet any upswing in international demand.

The health of the province's aluminum industry depends largely upon the export market.

Canadian consumption accounts for only a small part of total production. What happens in the U.S. and British markets is of much greater significance.

In both these countries, Alcan is the largest external supplier. And in both, there is stiff competition caused by world overcapacity.

Though the near future seems to hold slim profits and tough selling, long-term predictions call for fast growth in world demand.

If correct, they will almost certainly mean a resumption of aluminum expansion in Quebec. But when? That will depend upon sales.

The smaller producer, Canadian British, is in a different position.

Its sales presently are on a long-term contractual basis with one of its parents, **British Aluminium Co.**, and to a lesser extent with Alcan. Thus it has few marketing worries.

Sales arrangements covering its second 90,000-ton capacity haven't been announced, probably haven't been made.

It's not known, therefore, whether construction of Stages 3 and 4 at CBA will be based almost entirely on demand from British Aluminium or on prospects for international sales generally.

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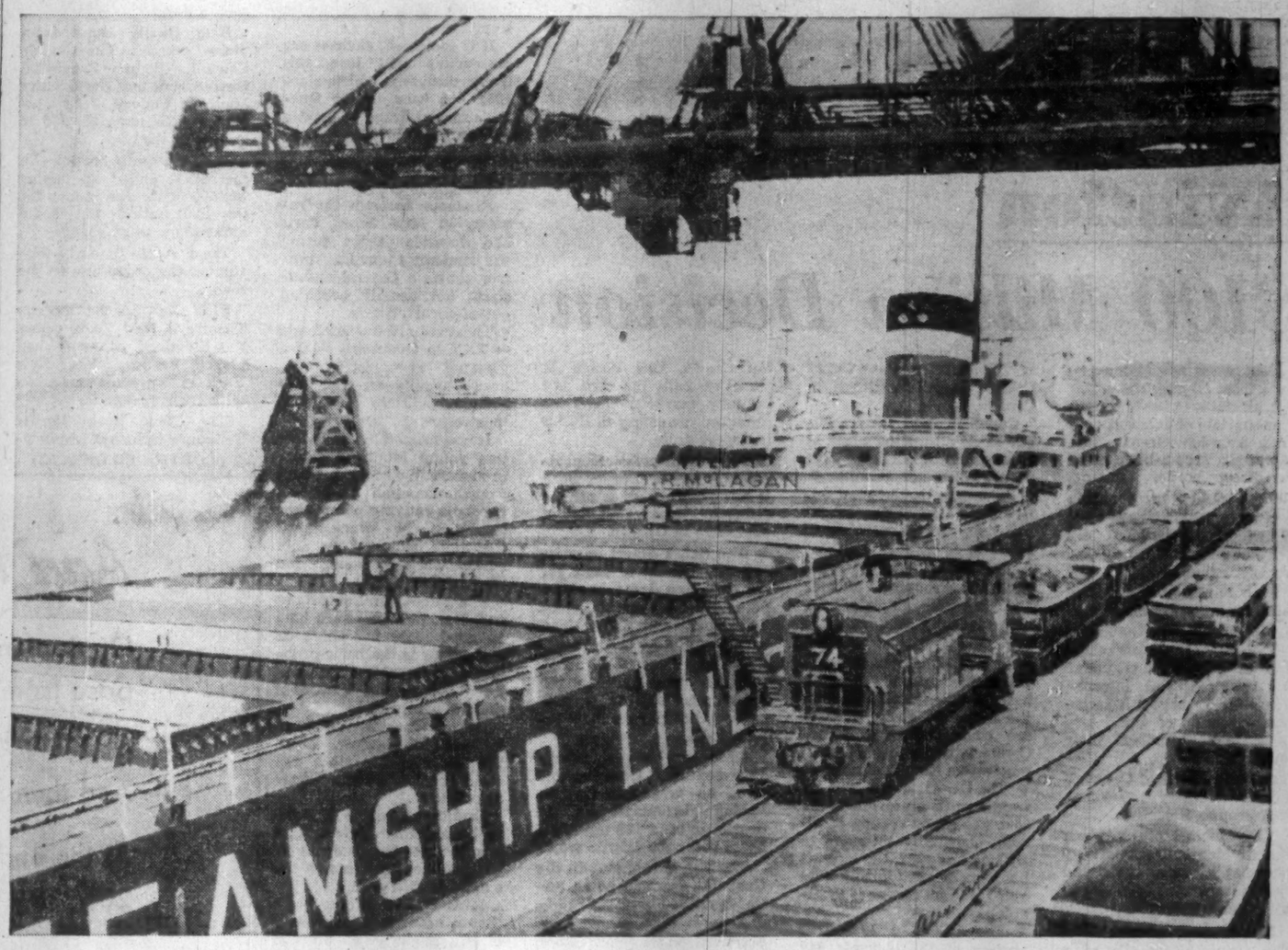

Ships that lead a double life!

When this Canada Steamship Lines ship, the T.R. McLAGAN, steams up the Great Lakes, she frequently carries a full load of 22,580 tons of iron ore in her holds. This is equivalent to the capacity of 300 railroad hopper cars — or approximately five 60-car trains. On her next trip she might carry 766,000 bushels of grain. This would approximate 480 box cars or eight 60-car trains.

Six huge sister ships provide a similar service on the Lakes — and when the St. Lawrence Seaway is completed, these Amazons will be able to navigate from the head of the Lakes to the sea.

C.S.L.'s sixty-two ships were designed and built for specific jobs. Package freighters, bulk carriers, self-unloading colliers all provide inexpensive transport between the east and the west via the busiest land-locked water route in the world.

Further services are provided Canadian shippers by Canada Steamship freight terminals, grain elevators and coal docks. A year-round trucking service and four subsidiary shipyards are also running in high gear, while three cruise ships and two resort hotels offer de luxe vacations to holiday-makers during the summer season.

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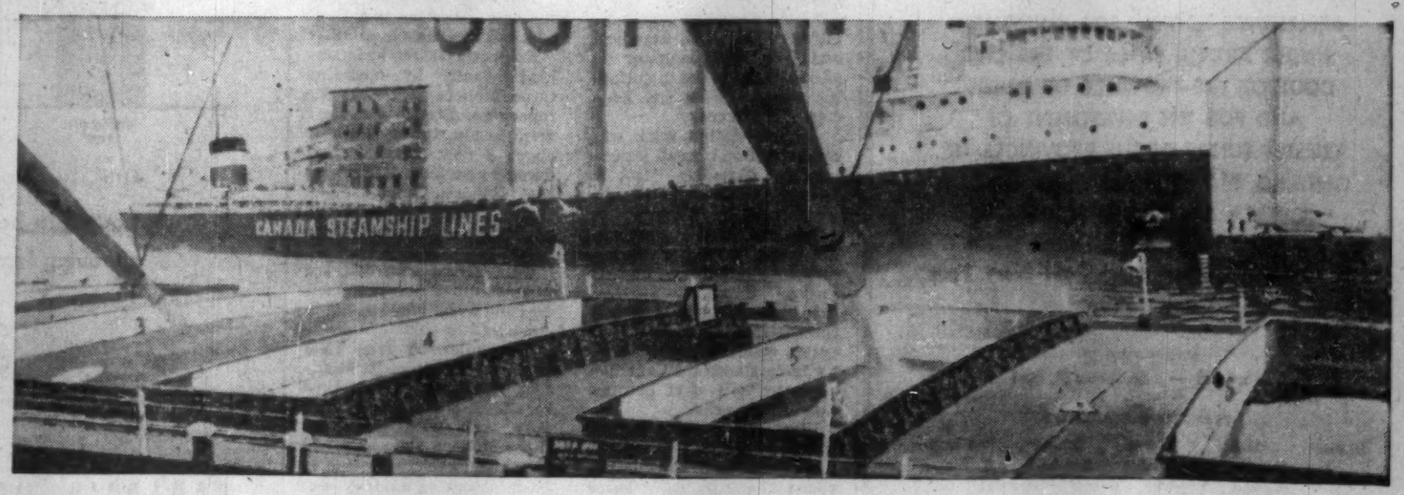

LAURENTIAN MOUNTAINS offer vacationers year-round attractions. Everything from skiing to skeet shooting.

Tourism

Vital Part to Economy

Quebec tourist officials will be busy for a few more weeks before complete 1958 figures are available.

But year-end estimates indicate that in a year that saw a general decline in tourist business in most provinces, Quebec maintained its tourist magnetism.

Exact figures are hard to come by. Betting now is that some five million visitors came to Quebec for a day or more last year. That's some 20% above the estimate for 1957.

Official 1957 figures showed:

- 114,742 visitors arrived by rail.
- 9,329 by bus.
- 3,438 by boat.
- 9,963 by air.

A total of 1,703,480 visitors entered the province by car via direct border crossing points from the U. S.

The figure does not include car-borne visitors from the rest of Canada, nor U. S. visitors who enter the province via Ontario or New Brunswick—a larger number than use the direct crossing, Quebec officials feel.

These travelers poured an estimated $165 million into the province's cash registers.

But whether the exact figure is up 20%, or only half that, one clear fact is that Quebec is a growing tourist attraction.

Its combination of sophisticated night life, rugged mountains, modern architecture combined with a sense of history, and perhaps most important, the glamour of hearing a foreign tongue, seems to keep Quebec high or the continent's holiday lists.

Both nature and history have been kind in creating a tourist attraction of such generous proportions.

Only a few hours from the bustling life of Montreal can be found almost untouched country, breathtakingly beautiful. Winter or summer the province provides a vast playground.

But the flow of tourist dollars is far too important to Quebeckers to leave matters to nature alone.

Quebec hotel, restaurant and resort owners are banded together in dozens of interlocking associations. Each is devoted to improving service and efficiency and keeping that tourist figure mounting.

An example is the Montreal Hotel Association. Formed by the city's network of first-class hotels, it launched a campaign some three years ago to improve service, increase advertising and greatly boost the number of rooms available — all without putting up the prices for visitors.

During 1958 $3.3 million was spent in Montreal to provide new and improved accommodation.

Some 1,600 new rooms became available in the downtown area (by far the lion's share coming from the new 1,216-room, Hilton-managed Queen Elizabeth).

Several hundred more rooms were added in motels and small hotels.

This enormous increase in available space coincided with the general decline in business in the U. S. and Canada felt during 1958.

The outlook was not encouraging. If the number of visitors was going to drop off simultaneously with a marked increase in available space, trouble was not far off for Montreal hoteliers.

To meet the challenge almost all the main hotels launched a campaign of face-lifting. New decorations, exotic restaurants and intimate cocktail lounges appeared.

While the Queen Elizabeth offered unrivaled new convention facilities, its officers strongly denied it would be a "convention hotel." They set out to attract the individual as well as the group.

But it is still the free-wheeling conventioner that Montreal relies on for stable, year-round trade.

Montreal seems a favorite for almost any sort of business meeting. The Queen Elizabeth got off to such a resounding start it could report a $1.2 million profit after the first six months of operations. The bed-rock of that profit came from an almost uninterrupted series of conventions.

Quebec tourist industry planners are well aware that Quebec offers the best alternative to Europe.

"The average visitor would much rather go up in the elevator with a French-speaking operator, or have a French taxi driver, than one who speaks perfect English," one Montreal hotel executive told FP.

"Of course we want our people to be bilingual, but English should only be used in cases where a direct answer must be given to a visitor's question. The rest of the time our employees are to put the emphasis on French.

"Some guests may not understand what they hear, but they love to hear it."

A network of new and improved highways is ready for the visitor who wants to see the rest of the province.

A feature is the new Laurentian autoroute, first toll highway in Canada. This winter saw the first two sections opened for business—from Montreal to Ste. Rose and from five miles south of St. Jerome to just north of that city.

By fall the whole six-lane road will be open, linking Montreal with the Laurentian resorts some 30 miles to the north.

Approaches to the bridges leading on and off Montreal Island, notorious traffic bottlenecks in the past, have been improved. Roads leading south and east have been resurfaced and widened.

By mid-summer, the long-delayed opening of Montreal's new air terminal at Dorval should take place. It will afford the visitor greatly improved facilities.

Both winter and summer resorts in the province have received considerable attention over the last two years.

Winter sports facilities in particular have been much improved and extended. New ski runs and tows have blossomed across the province.

There's no really accurate way for tourist authorities to list the exact numbers of visitors to Quebec, nor to tally how much money they spend.

But whatever the actual figure, the tourist plays a vital part in the provincial economy. Quebec plans to keep things that way.

Parks To Visit

NATIONAL HISTORIC PARKS

Fort Chambly—2½ acres; fort, museum.
Fort Lennox—210 acres; site of fort.

PROVINCIAL PARKS

Gaspesian—320,000 acres; on Gaspé Peninsula.
Shickshock Mountains—wildlife, trout, caribou.
Laurentides—2,373,120 acres; lakes, rivers.
Mont Orford—9,970 acres; skiing, golfing.
Mont-Tremblant—770,500 acres; resort area; summer and winter ski school; lifts; trails and slopes.
Parc de la Vérandrye—1,732,000 acres; numerous lakes and rivers; fishing.

FISH AND GAME RESERVES

Chibougamau—2,176,000 acres, lakes, rivers.
Mistassimi—3,328,000 acres, numerous large lakes.
Kipawa—640,000 acres, trout, pike, pickerel.
Shic-Shocs—200,960 acres, completing Gaspesian Park.
Little Cascapedia—195,000 acres, trout and salmon.
Port Daniel—7,200 acres, speckled trout and salmon.

Winter Navigation Vital for Expansion

Some of Canada's most exciting economic stories are coming from the lower St. Lawrence River, that historic region reaching from Quebec City to the sea.

Cash-backed plans of large companies make it virtually certain that this will continue.

This fabulous area of Quebec offers these headliners:

- **Tremendous iron developmen in the interior,** running into hundreds of millions of dollars. Ore shipping ports are on the North Shore.
- **An already partially successful campaign for all-year shipping** from the North Shore, especially from fast-growing Baie Comeau.
- **A similar shipping drive** centred on Quebec City.
- **An expanding aluminum smelter** at Baie Comeau.
- **A huge grain storage complex** to be built at Baie Comeau, which could make it into one of Canada's great grain export ports.

Add to these an already established pulp and paper industry, a titanium ore mining and shipping operation, copper mining in the Gaspé peninsula.

Further possibilities hinge on speculation that fast economic development eventually will mean extension of the railway at least to Baie Comeau.

This is largely a resources-based boom. Cheap water-power—most of it not yet exploited — plentiful mineral and forest resources have put the lower St. Lawrence on the business map.

The fact that these advantages are generating bulk traffic has caused the concern for all-year shipping.

To close down shipping for four months of the year creates costly inventory problems for producers and customers.

That's why **Quebec North Shore Paper Co.** — long-time resident of Baie Comeau — pioneered winter shipping.

And it's why **Canadian British Aluminium** — eventually to have 180,000 tons annual capacity at its Baie Comeau smelter — and iron-mining **Quebec Cartier Mining Ltd.** have joined the paper company and others in pushing for more winter sailings.

Obviously impressed by this, **Cargill Grain Co.** decided that a big grain transshipment point on the North Shore would mean transport savings.

The idea behind the Cargill's proposed 10 million to 15 million-bu. storage facility **is to take advantage of the nature of North Shore shipping; of the St. Lawrence Seaway; and of all-year navigation.**

The expected pattern: Vessels arriving from the Great Lakes with Canadian and U. S. grain for storage at Baie Comeau; and departing for the Lakes with pulp and paper products and ore. Ocean-going vessels would come into port with alumina, depart with grain and aluminum.

This activity based on winter shipping is matched in nearby Newfoundland and New Brunswick pulp and paper ports.

A survey of North Shore companies indicates plans to ship as much as 45 million tons from lower St. Lawrence ports (excluding Quebec City) by 1970. In 1956: 16.5 million.

Largest item in present shipments is transport of iron ore from Sept Iles to customers of **Iron Ore Co.** This is interrupted in winter.

But when **Hollinger-Hanna** interests develop Wabush Lake iron holdings, it's likely that beneficiated ore will be shipped year-round.

Quebec City is a separate

(Continued on page 54)

Construction Up 48% in '58

(CONTINUED FROM P. 52)

biggest construction project in the province is the $300 million **Quebec Cartier Mining Co.** development at Shelter Bay.

Quebec contractors and suppliers will benefit, too, from the $200 million **Wabush Iron Ore** project in Labrador.

Power companies are pushing construction which will boost hydro power capacity to nine million kw. within five years.

Three of five units of Bersimis No. 2 are scheduled for completion in October, the last two in the fall of 1960. Completion of No. 3 powerhouse at Beauharnois is slated for 1961.

Elsewhere plans now current include establishment of steel plants at Contrecoeur by **Steel Co. of Canada** and **Dominion Steel & Coal Corp.** and construction of a 15 million bu. elevator by **Cargill Grain Co.** at Baie Comeau.

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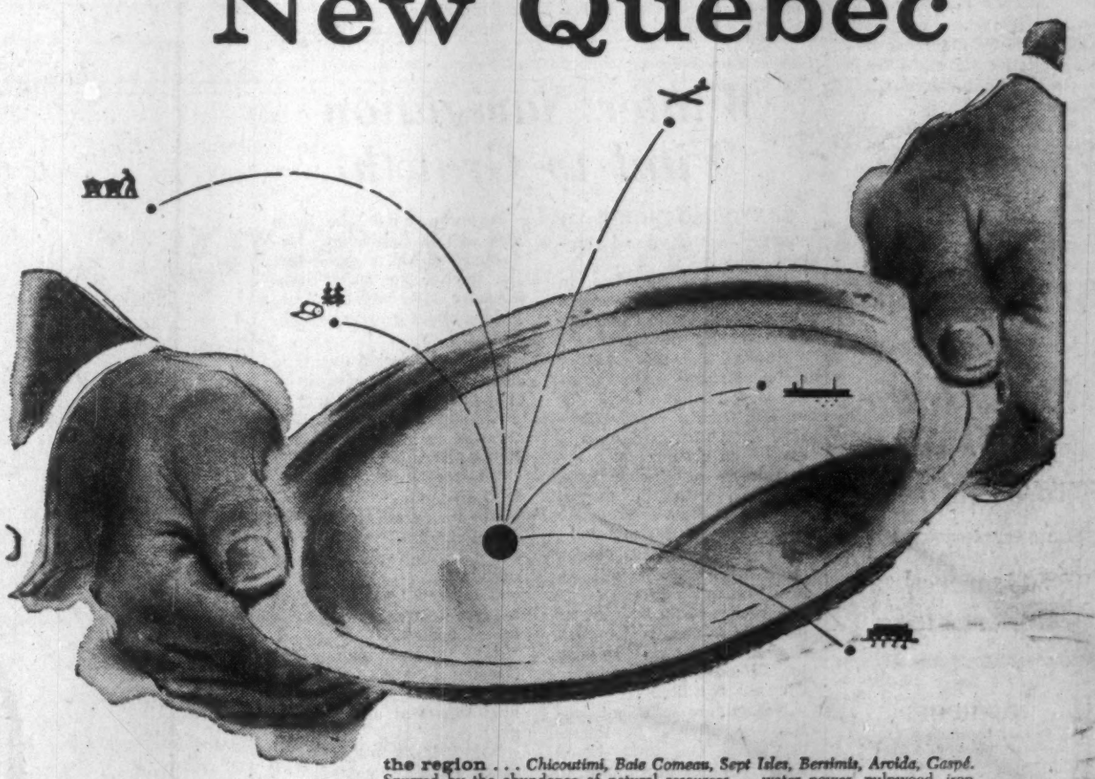

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the region . . . *Chicoutimi, Baie Comeau, Sept Isles, Berstmis, Arvida, Gaspé.* Spurred by the abundance of natural resources — water power, pulpwood, iron and other new-found natural wealth over half a billion dollars of new capital has poured into New Québec in the past five years — four fifths of it since 1955. Consider this half billion dollar bonanza market when you plan the investment of your advertising dollar.

the city . . . Hub of "Le Grand Nord", the booming area which radiates north and east, is Québec City — long the traditional centre of cultural, educational and governmental life of the province — now a commercial giant as the keystone city for distribution shipping and communications. Indicative of the vital importance of Québec City is the fact that the city and region are outstripping the province as a whole in the sensational increase in *wholesale trade* (20% over 1951)—unfailing *barometer* of an area's economy.

the marketing medium . . This great French-speaking market is served by one great daily newspaper: LE SOLEIL—L'ÉVÉNEMENT-JOURNAL. In the city zone the daily sale of copies actually exceeds 93% of the households. In the Retail Trading Area it is read by over 75% of all householders. A split run—LE SOLEIL AU SAGUENAY distributed daily throughout the rich Chicoutimi-Lac St-Jean area and publishing intensive local news, can also be bought separately for advertising purposes.

LE SOLEIL

L'ÉVÉNEMENT-JOURNAL

ABC circulation over 125,000

Quebec's Industries

	1956			1957		
	Salaries and Wages	Cost of Materials	Value of Shipments	Salaries and Wages	Cost of Materials	Value of Shipments
	$000					
Food and beverages	131,497	665,870	1,017,903	138,034	703,924	1,105,848
Tobacco and products	25,402	87,451	162,190	27,909	94,677	170,223
Rubber products	20,707	28,771	65,053	20,447	26,093	59,707
Leather products	36,550	55,494	110,901	38,292	56,601	113,607
Textiles	109,322	233,328	412,018	109,635	226,408	406,219
Knitting mills	23,213	40,264	77,757	24,149	42,956	83,918
Clothing	126,086	261,944	469,088	131,960	273,849	483,039
Wood products	81,388	178,161	323,480	81,395	165,207	306,711
Paper products	154,189	340,515	742,162	158,249	351,124	755,375
Printing, publishing and allied industries	67,073	65,715	190,480	72,189	69,716	201,196
Iron and steel products	164,222	268,482	566,429	176,959	274,974	602,220
Transportation equipment	127,375	162,769	352,019	146,926	198,863	413,332
Non-ferrous metal products	75,079	503,028	765,830	71,150	420,896	648,164
Electrical apparatus and supplies	88,948	145,774	285,053	96,724	129,969	278,589
Non-metallic mineral products	40,877	61,977	169,249	42,761	63,025	172,639
Products of petroleum and coal	16,679	283,357	460,447	18,521	313,385	535,436
Chemicals and allied products	79,090	178,640	356,932	83,247	170,396	361,065
Miscellaneous industries	28,718	43,982	95,512	31,586	47,912	104,947
TOTAL	1,396,415	3,605,522	6,622,503	1,470,133	3,629,975	6,802,235

Note: Revised figures for 1956, preliminary for 1957

Opportunities for Gas

There is a vast market for natural gas in Quebec which has only just been touched.

Because of the physical limitations of pipelines and distribution systems, natural gas service is confined to Montreal and its adjoining suburbs.

But companies alert to opportunities and potential markets are planning to push facilities into new regions along both sides of the St. Lawrence river.

Others, encouraged by favorable geology, are continuing the quest for sources of natural gas under the St. Lawrence river valley.

Twelve of last year's 13 drilling ventures were in these lowlands. Any discovery of a commercially feasible volume of gas would create sky-high interest.

In the metropolitan area some 250,000 customers are served by **Quebec Natural Gas Corp.**, which began business April 25, 1957, after acquiring the gas system of **Quebec Hydro.**

Its main pipeline connects with the flow of **Trans-Canada Pipe Line** at Senneville and runs 34 miles across the Island of Montreal.

Emphasis on expansion is in two areas:

- **The towns and cities not now served on the island and mainland municipalities within 15 miles.** Quebec Natural Gas franchise covers this territory.
- **unicipalities on both sides of the St. Lawrence outside Quebec Natural's franchise area** and extending as far as Quebec City.

St. Maurice Gas Inc. and **Gaz National Inc.** are eyeing this strip with its heavy industrial concentration. St. Maurice has been granted franchises by the cities of Granby and Magog, has applications pending in such centres as Sherbrooke, Drummondville, Sorel, Shawinigan, Three Rivers and Quebec City.

A St. Maurice subsidiary, **City Gas & Electric Corp.**, provides Three Rivers with manufactured gas. Company also supplies customers with propane gas, serving Cap de la Madeleine, Grand'Mere, Shawinigan Falls, and Quebec.

Formerly **Corporation de Gaz des Comtes du Sud**, Gaz National is seeking distribution rights for natural gas in the Eastern Townships and the St. Maurice river valley.

A major projected development is a pipeline, connecting with the Trans-Canada system west of Montreal.

The proposed line would cross the St. Lawrence river to serve the Eastern Townships, recross it at Three Rivers to bring natural gas to that community and continue along the river bank to Quebec.

Three companies are competing to build the line. One is **Cartier Natural Gas Inc.**, a subsidiary of St. Maurice Gas and **Consumers' Gas Co.**

Others have not been identified but Trans-Canada has said it would be ready to extend its line when effective demand is demonstrated.

Because of flat topography and rock-free soil, engineers say a line from Montreal to Quebec could be built in less than 18 months.

When it pushed its 34-mile line across Montreal, Quebec Natural Gas provided for connections to feed into new distribution lines in suburban areas, including the fast expanding Lakeshore.

Dorval, one of the Lakeshore communities with a growing industrial belt in the vicinity of Montreal Airport, has made a formal request for service, saying, "natural gas would be of considerable benefit to Dorval in its program of industrial and commercial development."

By the end of 1959 Quebec Natural Gas expects to be serving 14,600 commercial and industrial customers, producing gross revenue of $12.3 million.

By 1961 it expects 16,600 commercial and industrial customers, producing revenue of $17 million.

This estimate of natural gas sales in the Montreal area has been made:

Year ending June 30	Mcf.
1959	12,593,600
1960	23,825,500
1961	35,386,300
1962	43,787,700
1963	52,018,400

These figures would have to be revised upward should services be extended to the booming South Shore.

Company engineers already are surveying the South Shore and there have been preliminary discussions as to the best method of surmounting the river barrier.

Opportunities on the South Shore are tremendous. H. A. Woods, development chief of **Canadian National Railways**, has predicted establishment of many industrial parks, well within the 15-mile franchise area of Quebec Natural Gas.

The bridgehead community of St. Lambert is expanding rapidly and to the west **Sogemines Ltd.**, in partnership with an associated company, has acquired an interest in **Candiac Corp.**, which is building a fully integrated 3,000-acre town.

T the east company will be able to provide service in such communities as Vercheres and Varennes and in the area around Contrecoeur, future site of big steel operations.

Quebec Natural Gas has no plans yet to move off the island to the north. There has been a good deal of residential growth in the communities north of Montreal but little industrial development.

Gas is the most widely used cooking fuel in Montreal. A recent census showed gas used in 183,345 households, electricity in 31,095, wood or coal in 20,315 and oil in 9,770.

QNG's big sales pitch is directed toward space heating, previously neglected because Hydro didn't have sufficient gas capacity to meet demands.

There are two market opportunities:

- **Central heating** in new dwellings and by conversion in existing homes.
- **Space heating** of cold flats.

Some 60% of multi-family dwellings in Montreal are cold flats. Thus the company has 160,000 potential customers apart from home-owners.

By 1962 company estimates residential and commercial heating installations will grow from the restricted total of 2,400, when it took over Hydro's system, to 100,000.

Exploratory activity dwindled last year in the face of disappointments, with **Bald Mountain Oil Co.** remaining the most active operator.

Only a handful of companies were active compared with 30-odd in 1957.

Gas was found in some holes but in limited quantity.

Bald Mountain in 1957 had a major find 12 miles from Three Rivers but further drilling failed to justify early optimism. **Imperial Oil** in 1958 confined its activity mostly to geological studies on the north shore.

Forecasts are that 1959 won't see any great upturn in activity unless some major discovery prompts new interest.

Winter Navigation Vital to Growth

(CONTINUED FROM P. 53)

chapter in the winter shipping story.

It has already succeeded in establishing scheduled coastal shipping service to the North Shore during the winter.

Now it's after cold-weather ocean shipping, estimates its annual tonnage could be boosted from the recent average of 3.4 million tons to more than six million.

(Success at Quebec City, combined with the Cargill operation, almost certainly would hurt Halifax and Saint John port business. Much more undoubtedly will be heard on this subject.)

A recent study by geographers and economists concluded that all-year sailings to the ocean from Quebec City are possible.

Needed are sufficient icebreakers, all-year lighthouses, aerial and shore-based ice surveys, careful timing of sailings and—of top importance—lower insurance rates.

The study was commissioned by the Industrial and Trade Bureau of Greater Quebec.

It estimates savings up to 47c per hundred pounds over a wide range of commodities for shipment through Quebec. This compares with use of Halifax, Saint John or New York.

The study found that navigation to Quebec is possible, on average, during 20 days or more in each month December - March inclusive.

Iron ore development is covered extensively elsewhere in this issue. It will provide the majority of lower St. Lawrence tonnage in the visible future.

Alumina and aluminum also will be significant. Canadian British is expanding its smelter to 90,000 tons capacity, later will make decisions about growth to 180,000.

Following recent events in Great Britain, it now seems that plenty of capital will be available to Canadian British through its majority parent, **British Aluminium.**

The latter now has access to U. S. capital.

As for grain, there are some who predict Baie Comeau exports could reach 75 million bu.

Generally, these people suggest a saving of up to 5c or 6c a bushel.

This would make Baie Comeau Canada's third largest grain export port (behind Montreal and Vancouver).

And it leads to speculation about a rail connection.

Now, the railway ends on the west side of the Saguenay, many miles from Baie Comeau.

This subject has been little discussed, partly because it may alter established economic patterns.

What would a North Shore railway do to Quebec City, Halifax, Saint John? How would it alter North Shore economics?

The answers aren't clear. But hints as to their nature are enough to make many persons at least a little nervous.

This is a problem created by rapid growth. In fact most problems in this historic, yet economically youthful, region are products of its bursting growth.

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Cigarette filter tips have, for some time, been composed of a number of filaments of a cellulose ester. Essentially, the fineness of the filaments and the number of filter channels determines the effectiveness of the filter. When the Canadian cigarette manufacturers called on Canadian Celanese to produce acetate filaments for cigarette filters, they did not ask for filaments just like those already in use in Canada but for filaments finer than the finest being used. Celanese research produced these finer than the finest filaments for finer than the finest cigarette filters.

Only through research can products that are better than the best be found. For example, original research led Celanese to TRILAN*CQ, the "better-than-the-best" carpet fibre which is revolutionizing the carpet industry in this country. From such research also comes CELAFIL*, the amazing new "soft-firm" filling for pillows, sleeping-bags and comforters.

In the industrial field, Celanese is developing fabrics which are more resistant to acids, to alkalis and to abrasion than are any fabrics so far known. Finally, as a long term project, Celanese is seeking new fabrics which will set fresh standards of quality in wash-and-wear, ease-of-care wearing apparel. Our research teams are never satisfied with a product simply because it is the best on the market. Celanese is always out to produce something that is "finer than the finest"!

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Industry	Number of establishments	Number of employees	Estimated value of shipments $000
Cotton yarn and cloth			
Canada	50	19,200	208,000
Quebec	21	12,300	141,000
% Quebec	42	64	68
Man-made fibre			
Canada	45	14,800	155,000
Quebec	31	9,200	78,000
% Quebec	69	62	50
Wool textile			
Canada	159	11,300	117,000
Quebec	52	3,800	41,000
% Quebec	33	33	35
Hosiery and knit goods			
Canada	300	20,600	162,000
Quebec	160	10,100	81,000
% Quebec	53	49	50
Other primary textiles			
Canada	160	9,200	102,000
Quebec	92	5,600	60,000
% Quebec	58	61	59
TOTAL			
Canada	714	75,100	744,000
Quebec	356	41,000	401,000
% Quebec	50	55	54

Textiles

Trying to 'Hang On'

By ERIC RICHTER

Most of Quebec's sprawling primary textile industry --in common with that in the rest of Canada—is locked in a relentless struggle with powerful forces that have plagued it for almost a decade.

Shrinking markets, fierce competition, rising costs and low prices.

Whether the industry in the next few years will be able to stage a recovery or whether fortunes will recede further depends largely on a full-dress textile tariff enquiry now under way in Ottawa; and on any federal action which may ensue.

For the past few years, Quebec textile makers have had little to cheer about.

An uptrend that appeared to be getting under way early in 1957 failed to gather any significant strength. In fact, it subsequently turned downward.

In 1958, estimated value of shipments by Quebec mills was just over $400 million, approximately 5% lower than in the previous year.

Average employment at 41,000 was down almost 9%.

There have also been mortalities among the ranks of the province's producers. At the end of 1958 there were 356 separate establishments, 12 fewer than a year earlier.

For Quebec — the textile hub of Canada—this is a serious matter.

Workers employed in the primary textile industry plus a slightly greater number in the secondary textile or "needle trades" industry comprise some 20% of the province's total manufacturing labor force.

Particularly concerned are the province's numerous, small "textile" towns in which one or more mills comprise virtually the sole source of employment.

In such communities layoffs or extended holiday shutdowns have resulted in severe economic hardship.

With few exceptions, experience in the various major segments of the textile industry was uniformly poor in 1958.

Activity in the cotton textile industry, measured in terms of openings of bales of raw cotton, dropped to the lowest level in four years.

The mills experienced poor volumes of business during most of 1958. Many mills shut down for more than the usual two-week summer vacation period while others laid off workers and cut back production.

A slightly firmer trend in cotton has been evident since late 1958. Though there has been no significant increase in prices, volume of production has been showing a small improvement.

A moot point, however, is whether this uptrend will be maintained.

Cotton textile makers say that the current small improvement in the U. S. cotton textile industry appears to lack real depth.

Slightly firmer prices, it is believed, are due more to a temporary cutback in production than to any major increase in demand.

The big fear of domestic producers is that over-production in the U. S. later this year will once again disrupt the Canadian market.

Wool textiles are probably the hardest hit.

Estimated value of 1958 shipments was down more than 15% from the previous year.

In the first nine months domestic production was 12.5 million yards (49% of apparent Canadian consumption) compared with 14.4 million yards (48%) in corresponding 1957.

Imports from the U. K. and Italy have been blamed by domestic producers for the decline in their business. Prices have been exceptionally low.

Quebec accounts for about one-third of Canada's total wool textile output.

Despite a small increase in the tariff on wool fabric from the U. K., implemented by the government last year, near-term prospects for domestic wool textile makers are not considered bright.

Synthetic textile makers too have been experiencing difficulties. Value of shipments in 1958 is estimated at $155 million, half from Quebec mills. This is a shade below the previous year.

Production in the first nine months at 57 million yds. compares with 70 million yds. in corresponding 1957. This, accompanied by a decrease in total synthetic fibre consumption, has resulted in a decline in the share of the domestic market held by Canadian producers to 70% from 74% in 1957.

Competition from the U. S. coupled with imports of made-up garments from countries such as Japan are blamed for the slump by domestic makers.

Experience in the knit goods division of the textile industry in 1958 was mixed.

Total value of hosiery and knit goods shipments is expected to be in the vicinity of $162 million, 3% lower than in 1957. Half is from Quebec.

Production of hosiery remained fairly static with both prices and sales volumes weak. The trend toward seamless hose is continuing.

Of total hosiery production in 1958 37% was in seamless compared with 29% in 1957.

Among brighter spots are some segments of the knitting industry, especially those producing high-priced sweater lines using new synthetic luxury fibres. Here prices have been good and sales excellent.

Carpet makers have also been doing well.

In the past year sales and prices have been very strong both in carpets of conventional construction and those made by the "machine stitch" method.

The carpet boom is due in part to the high level of home construction and to introduction of new synthetic fibres especially designed for carpets.

At present, all eyes are turned toward Ottawa where the first full-scale revision of the textile tariff in 30 years is under way.

So far the Tariff Board has heard and reported on wool fabrics, textile wastes, slivers, rovings and yarns.

It has recommended increases in the British Preferential duty on woolens and worsteds and small increases on yarns going into the manufacture of wool cloths.

Representations on cotton goods have been heard and a report is expected shortly.

Still to come are reports dealing with knitted goods, synthetics, manufacturers of wool, hard fibres and narrow fabrics.

Also heard by the board were representations on behalf of the Canadian garment industry, some 60% of which is located in Quebec.

Garment makers in general seek small increases in the duty on imported garments or at least preservation of the existing differential between the tariff on imported fabrics and imported clothes.

They also would like to see a curb applied to imports of clothing by Canadian tourists who go abroad.

Of great importance has been tightening up by the federal government of anti-dumping legislation.

Last year the government, by act of parliament, reintroduced the pre-1948 definition of valuation for duty purposes: Cost of production, plus reasonable mark-up for cost of selling, plus profit.

From 1948 onward, prevailing price in the country of origin had been used.

Canadian textile men feel application of the new procedure could halt large-scale selling of foreign textiles at distress prices in this country.

While near-term prospects are poor, long-range outlook of the Canadian textile industry is brighter.

In 1980, assuming a population of 26.5 million, a report prepared for the Royal Commission on Canada's Economic Prospects estimates Canadian consumption of textiles will be between 868 million pounds and 988 million pounds of fibre annually.

Of this amount, Canadian mills should be supplying between 564 million pounds and 642 million—or 105% to 170% more than they did in 1952-53.

The big question now is whether the Canadian industry can "hang on" until the domestic market becomes larger and more economic in which to operate.

MANY OF THE small mixed farms are being squeezed out by the demand for efficiency raising measures.

Smaller Catches But Higher Prices

Smaller catches but higher prices.

This appears to be the pattern that prevailed in Quebec's small but efficient fishing industry during most of 1958.

In the first 10 months of last year (latest figures available), value of fish and shell fish landings was almost $3.5 million, up 0.2% from corresponding 1957.

Volume of the catch, however, at 110.3 million lbs., declined 16.3% from the previous year.

Prospects for 1959 are anybody's guess. They depend largely upon the whims of the elements and the fish.

However, barring any spectacular increases in the volumes of landings, which would depress prices severely, most of Quebec's fishermen will probably enjoy another relatively prosperous year in 1959.

Compared with many other industries in Quebec, the fishery is relatively small. Nonetheless it provides employment for some 5,000 who live in over a dozen counties that border on the province's 1,700 miles of coastline.

The number of fishermen actively engaged in the industry has been declining steadily since the war.

In little over a decade the number employed in the fishery has dropped about 20%, according to some estimates.

Among the reasons: The trend to larger, more mechanized boats coupled with the lure of high wages offered by many other industries. At best, the life of the fisherman is hard and rewards are rarely large.

Despite the decline in employment, production of the

(Continued on page 56)

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Signal to Advance
The launching of the iron ore industry in North Eastern Quebec and Labrador signalled a striking advance in the economic and industrial development of Quebec and the Atlantic provinces.
The new industry required a capital expenditure of some $300,000,000 in Labrador and Quebec. This eastern Canadian enterprise, operated by the Iron Ore Company of Canada and its Associates, has unlocked natural assets of immeasurable usefulness to the people and the future of these areas. In the process it has pioneered and accelerated the industrial development of a new Canadian frontier of vast importance to Quebec and the Atlantic provinces.
To Eastern Canada the enterprise has brought:
- Canada's largest iron ore mining operation
- A new, modern town, Schefferville, 360 miles north of Sept-Iles, on the Quebec-Labrador border
- A new, privately built railway through Quebec and Labrador linking Sept-Iles to Schefferville
- Thousands of new, highly paid jobs and job opportunities for people of Quebec and the Atlantic provinces
- The expanding opportunities for goods, services and facilities which complement a modern, expanding community

Far-reaching indeed are the economic and social benefits of this enterprise.
HOLLINGER-HANNA LIMITED
IRON ORE COMPANY OF CANADA
QUEBEC NORTH SHORE AND LABRADOR RAILWAY COMPANY

1959 LOOKS LIKE another prosperous year for the fishing industry. Last year the trend was toward smaller catches, higher prices.

Fishing Industry

More Mechanization

(CONTINUED FROM P. 55)

Quebec fishery has been fairly well maintained in the post-war period.

This is due largely to introduction of more, efficient fishing and processing methods coupled with extensive government assistance.

Most fishermen today either own their own boats or a share in a larger vessel such as a dragger.

Over two dozen processing plants plus fisherman-owned co-operatives market about 80% of the annual Quebec catch.

The balance is handled by individual businessmen and occasionally by the fishermen themselves.

In order of value, Quebec's most important catches are cod, lobster and salmon.

Other species include herring, rosefish, hake, plaice, halibut, mackerel, haddock and smelts. Some fishermen also engage fairly extensively in sealing.

For the past two years the entire Atlantic coast fishery has been on the downgrade mostly because of the scarcity of fish.

Cod and lobster, the two most important catches in terms of value, have been hard to find.

As a result, off-shore fishermen have had to range farther from their customary routes in efforts to find new fishing grounds, thus increasing costs.

The loss in revenue due to smaller catches has been offset to a large extent by higher prices occasioned by scarcity.

Active demand for fish from the booming frozen food industry has been met to some extent by substituting other species of fish for the favorites, cod and haddock.

In Quebec, in the first 10 months of last year cod production at 678,000 cwt. was down 18% from 780,000 cwt. in corresponding 1957.

Value of landings, however, at $1.7 million was $44,000 greater than in 1957 raising average return to the fisherman from $2.06 to $2.43 cwt.

Lobstermen, however, did not fare so well. Price tumbled.

Output in the first 10 months at 26,318 cwt. was down 11.6% from 29,759 cwt. in 1957. Value at $824,000 was 14.1% lower than $960,000 in the previous year.

Catches of Quebec salmon —including salmon from the Gaspe known all over North America for their delicate flavor — increased in both quantity and value.

Unlike all other provinces, Quebec supervises its own fisheries. Control was acquired from the Federal government in 1922 — with the exception of the Magdalen Islands. In 1943 these too passed to the province.

In general, Quebec's fishing season extends from April through November.

In January one of the highlights is fishing for "Les Petites Poissons" or tommycod.

Once a commercial operation, today pursuit of the tommycod has become mainly a sporting event and tourist attraction.

$388 Million of Chemicals Produced in Quebec in 1958

Ever since it began exploiting its forest resources and its hydro power potential, Quebec has been in the forefront of Canadian chemical development.

The pulp and paper industry has large demands for chemicals; hydro provides cheap power.

Quebec produced an estimated $388 million of chemicals and allied products in 1958, up from $370 million in 1957.

These figures represent about a third of the national total, a proportion that has varied only slightly in recent years.

Quebec has shared fully in the postwar boom, is in a position to push farther ahead as manufacturing capacity grows for new and established products.

Its problems are largely the same as those on the national level. Outlook is governed by:

- **The economic** climate.
- **Demand created** by secondary industry development.
- **Export** markets.

Production was down in the first quarter of 1958 but the balance of the year accounted for normal growth.

As the chemical industry provides processing materials and ingredients for virtually all industries, 1959 production will continue to reflect over-all business conditions.

Herbert H. Lank, president of **Du Pont of Canada**, predicts the Canadian chemical industry will expand at the 7% rate that has characterized growth over the years.

Producers which cater to the consumer market are likely to make the best showing.

Greater diversification in secondary industry would result in opening of markets now nonexistent or too small for profitable manufacture.

About one sixth of Canadian chemical production is exported, the range being limited mostly to fertilizers, synthetic rubber and plastics.

Increasing self-sufficiency of Commonwealth countries indicates tough selling problems for Canadian manufacturers but growing relief from dollar discrimination should aid export sales in 1959.

A good deal of Quebec's most recent chemical expansion is represented in facilities for products not previously manufactured in Canada.

Some examples:

- **Canadian Titanium Pigments Ltd.** opened a $15 million plant for production of titanium pigments at Varennes within an industry centre planned by **Shawinigan Water & Power Co.**
- **Davison Chemical Co.** opened a $6 million plant at Valleyfield for first Canadian production of synthetic fluid petroleum cracking catalysts. To supply Davison with sodium silicate, a plant was built by **National Silicates Ltd.**
- **Electric Reduction of Canada** has undertaken the first commercial scale manufacture of organic phosphates in Canada at its Buckingham plant.
- **Shell Oil Co. of Canada** includes among its newest facilities at Montreal East the first Canadian plant for production of epoxy-type resins.

Shawinigan, once a lumbering community on the St. Maurice River, is the chemical centre of Quebec.

According to a survey prepared by the Canadian section of the Society of Chemical Industry to mark the annual meeting of the society last fall, Shawinigan was the site of the Commonwealth's first application of Willson's process for calcium carbide.

It witnessed the beginning of the vinyl plastics industry in the Commonwealth and it boasts the world's largest silicon carbide abrasive plant.

Shawinigan Chemicals Ltd. and its subsidiaries have important operations in this area where a further step in the company's program of diversification was the opening in 1958 of a caustic soda and chlorine plant. **Du Pont of Canada** and **Canadian Industries Ltd.** also have plants at Shawinigan.

The petrochemical industry in Quebec is centred at the east end of Island of Montreal.

There, huge refineries have daily throughput of 275,000 bbls., largest concentration in the Commonwealth. The refineries and cracking plants produce ample reactive gases for chemical synthesis.

In this area **Union Carbide Canada Ltd.** is undertaking a second expansion of its $25 million polyethylene plant.

Used in everything from squeeze bottles to weather balloons, polyethylene consumption in Canada zoomed to around 50 million lb. in 1958 from 22 million lb. in 1956.

When its latest project is completed by early summer, Union Carbide will have capacity of some 40 million lb. a year.

In Montreal East, Shell Oil Co. of Canada spent $5 million on its epoxy-resin plant.

Within the last two years B.A.-Shawinigan Ltd., has increased capacity of its phenol and acetone plant by 50% and started semicommercial production of hexylene glycol.

Also in metropolitan Montreal are located some of the country's most important plants for manufacture of fine chemicals and pharmaceuticals. Among the drug firms in Montreal are **Ayerst, McKenna & Harrison** and **Charles E. Frosst.**

Merck & Co. is located at Valleyfield, which is becoming an important chemical centre.

Since World War II, **Nichols Chemicals Co.** has twice expanded its sulphuric acid production at Valleyfield and has built Canada's first liquid hydrofluoric acid plant.

Previously all hydrofluoric acid was imported from U. K. and U. S.

One of the largest producers of chemicals and allied products is Canadian Industries Ltd.

Besides its Shawinigan operation, it has Quebec plants at Montreal, Beloeil, Sept Iles, Brownsburg.

In 1958 company added a nitrogen solutions plant at Beloeil. Its products are used

(Continued on page 57)

FINA

STILL in step with the dynamic forward movement of the industrial and commercial community of the Province of Quebec — management has planned a further penetration of this fast growing market during 1959.

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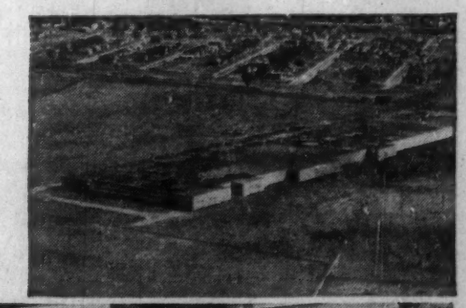

Modern machinery and modern methods, keys to productivity and competitive costing, are essential to Canadian textile mills in today's stiff battle for the Canadian market. These are the tools we must use to meet competition from foreign producers in low-wage countries and in mass-production nations whose big over-runs make the cut-rate unloading of surpluses in Canada very tempting.

The new Salaberry Mill of The Montreal Cottons Limited, a Dominion Textile plant in Valleyfield, Quebec, is an example of the effort and investment being expended by a Canadian enterprise to win a fair share of the Canadian business.

Back of the modern machines is more than a half-century of Dominion Textile know-how in producing Canadian materials for Canadian consumers.

"It is our hope that the manufacturing of textiles will always be an important part of the economic life of this province and of this great country of ours. It is by ventures such as the creation of this plant—the more venturesome, perhaps because times are so difficult in this industry—that we express a faith in the future and make a constructive effort to assure that the future will be a successful one."

G. B. Gordon, President,
Dominion Textile Co. Ltd.,
at the opening of the Salaberry plant.

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PULP AND PAPER industry heads for better weather, with a modest revival of demand.

Pulp and Paper

Better Weather Ahead

Somewhat sunnier weather; fewer chill winds.

That looks like a fair description of the economic climate ahead for Quebec's large export - centred pulp and paper industry.

Profits fell during most of 1957 and 1958, as recession conditions — particularly in the U. S. — put a lid on rising demand while costs continued higher.

The profit decline apparently ended in the last half of 1958. Two things contributed:

- **Substantial economies discovered** by most companies.
- **A modest revival** of demand.

The Quebec industry—close to markets—performed well during the stormy economic period. Nothing financially disastrous happened. Now, if the long-term demand uptrend has been fully revived, it should perform equally as well during the recovery.

However, expansion plans are still on the shelf in most cases. Considerable "excess" capacity is in existence.

Pulp and paper is the province's largest single industry. It constitutes almost 10% of the value of all Quebec manufactures; and about 45% of the $1.5 billion Canadian pulp and paper industry.

Almost 60 mills produce newsprint, paperboard, fine papers and other items.

The top product in Quebec is newsprint. The province produces about half the Canadian total.

Most of this Quebec product—worth about $400 million a year—is exported, largely to the U. S.

This means U. S. markets dominate industry economics.

Thus it's encouraging that in latter 1958 U. S. demand leveled out. Previously it had been showing decreases in month-to-month comparisons with 1957.

With this leveling out came an improvement in Canadian shipments, both to the U. S. and domestic consumers.

This was welcome, of course, but it represented only stabilization at a level of demand regarded as unsatisfactory.

The hope is for a solid uptrend; but this will depend mostly upon U. S. advertisers whose expenditures are important in determining the size of daily newspapers and therefore their consumption of newsprint.

Most other important pulp and paper products in latter 1958 showed firmer demand and less overcapacity than d newsprint.

The industry as a whole employs about 30,000 Quebeckers, not including the many thousands who work in the woods.

It's paying wages and salaries running to about $135 million a year, spending about $275 million annually for materials used in the manufacturing process and about $50 million for electricity.

Quebec's mills generally are in the happy situation of being close to the forest, as well as to large Canadian and U. S. consumers.

They also are at or near seaports or riverports. Most are in the Three Rivers, Shawinigan, Saguenay, Gatineau and Lower St. Lawrence districts.

There is very little talk of capital expansion in Quebec. Among recent notable additions was a new 200-ton-daily pulp mill at Thurso, owned by **Thurso Pulp and Paper Co.**, which is controlled by sewing machine maker **Singer Manufacturing Co.** Also, newsprint-maker **Donohue Bros.** added a 30,000-ton machine at Clermont.

A number of Quebec firms are engaged in programs which will increase the efficiency of their production and in some cases raise capacity. **Canadian International Paper**, for example, has two efficiency programs under way.

The industry now is giving much thought to integration and diversification. Separately these lead to expansion in the number of products. Combined, this effect is even more pronounced.

The Singer pulp mill is a remarkable example of where integration can lead.

Singer needed sewing machine cabinets. It decided the best course was to make them itself.

For this it needed lumber and veneer. This led it to acquire timber limits in Quebec and set up a sawmill and woodworking operations.

The process of integration moved a step further when it became obvious that its specialized needs were resulting in considerable sawmill waste and an inability to use fully the timber it owned.

The answer was to build a pulp mill. And that is what happened. The result is an integrated woods use setup, the kind which makes pulp production and sales—not ordinarily a big money-maker—an economical proposition.

As Quebec's pulp and paper men increase efficiency in this and other ways, they boost their ability to compete in world markets.

Right now these markets are warmly competitive and likely to remain that way indefinitely.

One estimate is that world newsprint demand in 1959 will be about 14.2 or 14.3 million tons.

This would be a record—compared with an estimated 13.5 million in 1958 and 13.9 million in record 1957.

But it will be solidly below world capacity, expected to be about 17 million tons.

In the capacity and demand totals, some 1.2 million is included for the Communist bloc.

Canadian capacity and demand will be about half the estimated figures for the free world.

The projected increase in Canadian production in 1959 is about 2% to between 6.1 and 6.2 million tons. If the U. S. economy recovers briskly this may even prove conservative.

Nevertheless most Quebec mills—in common with those elsewhere in Canada—will continue operating with plenty of capacity to spare.

This will provide a continuing incentive for efforts to expand sales and cut costs.

Power Expansion Must Come Soon

New power expansion moves must come soon in Quebec.

They will be largely in waterpower. Quebec is one of the few provinces with large, unexploited, economically located hydro sites.

Substantial new power can be developed on the North Shore, the Ottawa River, the St. Maurice and at Lachine.

It is almost certain that demand will justify quick future growth.

The province now has an installed capacity of more than nine million hp. Despite recent large additions, demand — rising steadily — will soon call for detailed decisions on new projects, it's understood.

By the latter 1960s it's likely that capacity will have risen to around 13.5 million hp.

Here are some of the most likely growth locations:

Lachine section of the St. Lawrence, it's indicated by **Quebec Hydro**, could support a plant with about 900,000 hp capacity. This would cost more than $200 million.

Ottawa River near Carillon: A 600,000-hp potential, says Quebec Hydro.

St. Maurice River: Shawinigan Water & Power already has developed this river intensively.

But there are three remaining locations on the upper river with a total potential of around 375,000 hp.

Manicouagan River: This is on the North Shore not far east of Bersimis. The latter is already being developed by Quebec Hydro. The Manicouagan has an estimated potential of six million hp.

Future development of the Manicouagan will depend upon two things:

- **The economics of transmitting Manicouagan power to more heavily populated areas.**
- **Industrial growth near the river on the North Shore itself.** This is a fast-growing area and considerable expansion is possible.

There are a number of projects now under way or just completed.

- **Aluminum Co. of Canada** is on schedule with its huge Chute des Passes development.

This is for a million hp, with the first of five 200,000-hp units coming on power in August. Completion should be in early 1960.

Alcan is sticking to schedule with this project despite stretchouts in construction of smelting capacity.

In addition to supplying power for additional smelting capacity, Chute des Passes will serve domestic and other industrial needs.

- **Quebec Hydro, with work complete at Bersimis No. 1 (1.2 million hp),** is pressing No. 2 (800,000 hp). Latter is ahead with nearby Bersimis to be finished by late 1960.
- **Hydro also is boosting its Beauharnois capacity** (near Montreal) by 800,000 hp.
- **Shawinigan last fall opened Rapide Beaumont** (330,000 hp) on the St. Maurice.
- **Manicouagan Power Co. has raised capacity from 100,000 hp to 250,000 hp,** in order to supply the expanding Baie Comeau smelter of **Canadian British Aluminium Ltd.**

All this growth means huge expenditures.

Quebec Hydro — the biggest producer — has a capital program of about $1,000 million over the next decade. Most of this is expected to be obtained through borrowing.

Shawinigan, which has

(Continued on page 58)

Chemical Industry Growth

(CONTINUED FROM P. 56)

in the manufacture of compound fertilizers and for direct application to the land.

Beloeil is the site of company's central research laboratories.

Late in the year Du Pont of Canada announced expansion of its Shawinigan facilities for production of a polymer-coated film called KST. It is moistureproof, greaseproof and more durable than regular Cellophane.

Expanded capacity for KST, first made at Du Pont's Shawinigan plant about two years ago, resulted from a steadily increasing demand, particularly by manufacturers of foods.

New investment in the Canadian chemical industry last year declined by 10% to 15% below the $149 million invested in 1957—with Quebec and Ontario accounting for some 90% of capital expenditures.

The fact that few large projects have been announced suggests a further decline in capital expenditures this year.

"There is no evidence that the decline will be sharp," said Leonard Hynes, C-I-L vice-president, in a 1958 year-end review.

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Quebec North Shore Paper Company
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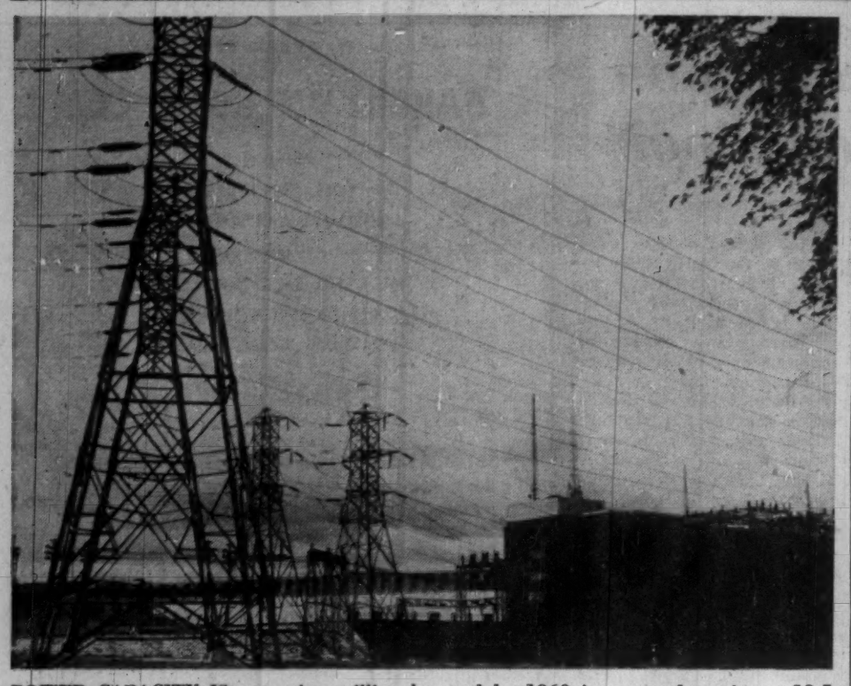

POWER CAPACITY IS now nine million hp. and by 1960 is expected to rise to 13.5 million hp.

Power

Untapped Sources

(CONTINUED FROM P. 57)

been financing by short-term notes, is undertaking permanent financing this year.

Because of expected future growth needs, its bondholders recently approved removal of the upper limit on company's outstanding first mortgage and collateral trust sinking fund bonds.

Because of its large water-power resources, Quebec is not looking as closely as, say, Ontario at other methods of producing power.

However, power experts realize that every year brings the province closer to the decision between a more distant hydro site and the use of coal or nuclear energy.

A possible future factor in the power picture in the Lower St. Lawrence is **British Newfoundland Corp.'s** very large undeveloped site at Hamilton Falls in Labrador.

As power transmission techniques improve, isolated Hamilton Falls becomes more significant.

There is talk of transmitting this power into the Maritimes, for instance.

However, the future will decide this. Important to any use of Hamilton Falls power in Quebec will be the economics of full development of the Manicouagan.

Other Links

Highways to Riches

The lower St. Lawrence is a land transport frontier as well as a pioneer region for winter shipping.

(The latter subject is covered elsewhere in this issue.)

Presently a highway along the north shore of the St. Lawrence from Quebec City to Baie Comeau is the only land link between this resource-rich area and the remainder of the province.

Baie Comeau is about 265 miles below Quebec City and some 100 above Sept Iles, iron ore shipping port.

By 1960 it's hoped to link Baie Comeau and Sept Iles by road.

Less definite are the hopes and plans for new rail construction. **But economic growth and deepsea shipping development make it seem at least possible that sometime in the future** the region will be connected by railway with the rest of Canada.

Land transport ambitions on the Lower St. Lawrence sprouted more than 200 years ago. In the middle of the 18th century an attempt to build an earth road into the area failed because of the difficult terrain and many rivers.

Such conditions existed until the late 1930s when the provincial Department of Colonization started work between Quebec City and Baie Comeau.

Colonization plans failed. The road, however, was completed in 1946 and since then the government has spent $25 million on improvements. Still more expenditures are contemplated.

A three-lane highway from Quebec to Beaupre meets the demands of tourist traffic and leads to the historic shrine at St. Anne, a mecca for travelers.

From there northward, through boundless forest, myriad of lakes and rivers, the road climbs on top of the Laurentians which hug the shoreline. It crawls up mountain tops — reaching elevations of 2,450 ft.—and dips into valleys, dropping to sea level at Tadoussac, a summer resort at the mouth of the Saguenay.

Improvement program was designed to eliminate sharp curves and steep grades, some up to 20%. At La Miche some 700,000 cu. yd. of earth had to be moved one mile and work involved construction of three viaducts and a 500-ft. bridge spanning the Ste. Anne river.

At Baie St. Paul, halfway between Quebec and Tadoussac, a hill was relocated. It had a fall of 1,200 ft. within three miles and grades in excess of 20%. Now far easier grades are less than 10%.

The winding 160-mile extension being undertaken to Sept Iles and Moisie will serve a territory far greater than that bordering the road itself.

Hundreds of miles of lumbering and mining roads built by companies for their own operations will be linked to the main artery.

Begun in 1951, construction of the extension will involve total outlay of some $35 million.

Arthur Branchaud, P.Eng., described some of the survey problems in an address last year.

"In order to determine roughly the area over which study of the route should be made, much reconnaissaince of the terrain by plane and helicopter had to be undertaken along with preliminary ground investigation.

"Aerial photographs, 1,300 ft. to the in, were then taken of the region appearing most suitable for construction of the road and, by means of the stereoscope, various possible alternate routes were determined.

"Topographic maps were then completed to a scale of 1,000 ft. to the in., with 25-ft. contour intervals in areas of low relief and 5-ft. contour at a scale of 200 ft. to the in. in rough terrain.

"Use of contour maps made it possible to select best location for the highway, determine its alignments, profiles, cross-sections and drainage system. Only then were survey parties sent into the field."

Use of aerial methods in locating gravel and borrow deposits accounted for considerable savings in cost of hauling these materials.

Buoyant business at Sept Iles in 1951 and ease of construction there were main reasons for starting construction of the road at its northern point. Advantage was taken of a 24-mile rudimentary road as access to the work site.

Tote roads had to be built to move men and equipment, fuel and supplies. Main and fly camps had to be erected. Temporary wooden bridges with 40-ton capacity had to be built over rivers for movement of heavy equipment.

Location follows generally that of a winter road opened in 1945 for mail service at the request of coastal communities.

Previously mail was carried haphazardly by canoes through ice floes between Baie Comeau and Pointe des Months, from where it was distributed by dog-team.

With the building of a link between Quebec and Sept Iles under way, Lower St. Lawrence communities now are looking at rail transportation.

Earlier, in a brief to the Gordon Commission on Canada's Economic Prospects, they contended better access to markets and sources of supply is necessary to stimulate further exploration and development of resources.

No railroad joins the Lower St. Lawrence with other parts of the province.

The Chamber of Commerce of the district of Baie Comeau, supported by other Lower St. Lawrence groups, suggested:

- **Extension of the Canadian National** line eastward from Arvida and Chicoutimi.
- **Extension of the line along the North Shore from La Malbaie,** bridging the Saguenay near Tadoussac, or using a car ferry.

The **CNR** line that serves Chicoutimi runs from Quebec City, curving around Laurentide Park, to the Lake St. John region. The North Shore line skirts the coast for 75 miles below Quebec.

Investments Show Big Increase

The total amount of investments cafried into effect in the Province of Quebec during the period from 1948 to 1957 represented the impressive sum of $17,627,800,000.

The year 1957 showed a rise of 120.4% over the year 1948, and the average increase from one year to another during the entire period was 9.4%.

Investments in the primary industries and construction increased by 75.3% from 1948 to 1957 in Quebec, in comparison with 64.6% for Canada as a whole during the same years.

Investments in this field amounted to $286,600,000 in 1957, or 11.2% of the year's total investments.

During the 1948 to 1957 period the greatest single field of investment in Quebec was that of public utilities which accounted for 23.3% of the total investments carried out.

Investments in public utilities in 1957 aggregated $691,200,000, and represented an increase of 170% over the sum recorded in 1948.

Company Reports

Construction

DOMINION BRIDGE CO., Lachine, Que., consolidated net profit of $6,260,591 for the year ended Oct. 31, 1958, was 22.1% lower than previous fiscal year's $8,031,582.

Total sales for 1957-58 period amounted to $113,162,146, a drop of 6.6% from $121,160,483 for the previous year. President H. G. Welsford reports that new orders booked were the lowest for any year since 1954, and substantially less in value than completed sales. Unfilled work at the year-end was "considerably lower" compared with Oct. 31, 1957.

Capital expenditures totaled $5,736,996.

Development of the Mount Dennis property in Toronto at a cost of some $3 million (part of a four-year expansion program announced in 1956) is nearing completion. The new structural shop is expected to be in operation early in 1959.

Shop has a mechanized structural steel preparation aisle which company expects will substantially reduce the cost of processing structural steel.

Fabricating facilities and services are also being improved and expanded at company's other divisions, Mr. Welsford says.

Authorized but unspent capital expenditures totaling $1,163,550 at Oct. 31, 1958, are being carried forward into 1959.

Bank loans were down by $16,975,030 due mainly to reduced inventories and accounts receivable.

Company has taken over business of **Standard Iron & Engineering Works Ltd.,** a wholly-owned subsidiary, which now operates as Dominion Bridge Co., Edmonton branch.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1958	1957
	$	$
Sales	113,162,146	121,160,483
Net oper. inc.	12,813,142	15,100,732
Add: Prof. fr. sale equip. & secs.	53,267	825
Net earnings	12,866,409	15,101,557
Less: Deprec.	1,487,352	1,261,519
Income tax pay	5,118,466	5,808,456
Net profit	6,260,591	8,031,582
Less: Dividends	2,569,755	2,441,267
Surplus for year	3,695,836	5,590,315

Note—Tax prov. is reduced by $385,579 in 1958 and $359,430 in 1957, as a result of co. claiming for tax purposes deprec. in excess of amt. chgd. in accts.

Earnings per Share and Dividend Record:		
Common	$2.44	$3.13
Paid	0.80+0.20	0.65+0.30
Shares o/s at Oct. 31:		
Common, npv.	2,569,755	2,569,755

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1958	1957
Cash & mkt. secs.	$2,304,963	$1,182,913
Uncom. contr. (net)	1,816,123	12,682,945
Accts. rec., etc.	23699,209	26,717,278
Inventories	19,017,089	24,903,308
Prepaid exps.	545,842	514,489
Total curr. assets	47,274,216	66,006,233
Invest. in subsids.	2,178,305	2,159,066
Fixed assets*	†47,341,867	17,081,639
Total assets	96,794,388	85,246,938
Due bank	3,397,527	20,079,829
Accts., etc., pay.	7,202,139	7,215,144
Inc. tax pay.	2,416,691	3,936,885
Total curr. liab.	13,016,357	31,231,858
Deprec. res.†	26,017,611	.....
Capital stock	15,921,366	15,921,366
Surplus	41,839,054	38,093,714
*After depr. of	†.....	24,786,358
Working capital	34,257,859	34,774,375

†Depreciation reserve, previously shown under fixed assets, carried as a liability in 1958.

Beverages

CINZANO LTD., Montreal, net profit of £194,762 for year ended Sept. 30, 1958, was 15.3% higher than previous fiscal year's £168,879.

Income from subsidiaries at current exchange rates amounted to £222,212 compared with £196,882 for the preceding fiscal year.

This income was derived from operating subsidiaries in Argentina, Australia, Belgium, Belgian Congo, Brazil, Chile, Italy, Mexico, Portugal and Switzerland, and was receivable for the greater part in dollars or sterling.

Improvement in income was due in large part to increased dividends from subsidiaries in Argentina, Italy and Mexico.

During the year 51,153 preferred shares were purchased at advantageous market discounts, the company reports. A transfer of £51,153 was made from special reserve to capital surplus, representing the par value of these shares.

Profit of £9,825 on the preference shares purchased, and the dividend equalization reserve of £41,715, were added to special reserve, offsetting this transfer.

Subsequent to Sept. 30, 1958, company was involved in additional financial commitments. Most important was the imposition of import restrictions by Venezuela effective Jan. 1, 1959. This has necessitated formation of a new subsidiary in that country and the early construction of a factory in Caracas.

Company purchased certain minority interests in **Francesco Cinzano & Cia., GmbH,** Frankfurt, Germany.

Funds were also diverted to the Belgian subsidiary, **Cinzano, Congo** to finance its growth.

In view of these commitments the ordinary dividend was reduced from 1s to 9d per share payable Feb. 16, 1959.

Company reports business "generally is good," but does not attempt to evaluate dividend prospects for the current year.

Annual meeting is March 31.

INCOME ACCOUNT

Year Ended Sept. 30:	1958	1957
	£	£
Total income	223,061	206,324
Less: Gen. exps.	16,320	16,508
Taxes	16,979	20,937
Net profit	194,762	168,879
Less: Pref. divds.	23,180	24,587
Com. divds.	75,000	100,000
Surplus for year	96,582	44,292

Earnings per Share and Dividend Record:		
Pref.: Earned	9s 10d	7s 6d
Paid	1s 1d	1s 1d
Com.: Earned	1s 9d	1s 5d
Paid	9d	1s
Shs. o/s at Sept. 30:		
5½% pref., £1 par	395,893	447,046
A ordinary, npv	1,640,000	1,640,000
B ordinary, npv	360,000	360,000

CONDENSED BALANCED SHEET

As at Sept. 30:	1958	1957
	£	£
Cash	23,717	19,927
U. S. Govt. bds.†	70,775	57,723
Divds., int., rec.	128,608	103,182
Total curr. assets	223,100	180,832
Prepaid exps.	118	120
Invests.	1,646,768	1,571,789
Due from subsid.	5,168	90,258
Total assets	1,875,152	1,851,999
Accts., tax., etc., p.	7,549	17,974
Divds., etc., pay	75,000	100,000
Total curr. liabs.	82,549	117,974
Capital stock	770,893	822,046
Reserves	817,593	730,025
Capital surplus	104,107	52,954
Earned surplus	100,000	100,000
†Market value	70,821	57,540
Working capital	140,551	62,858

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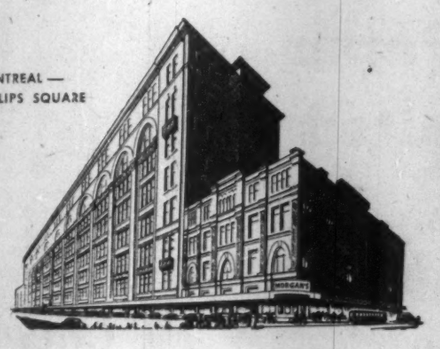
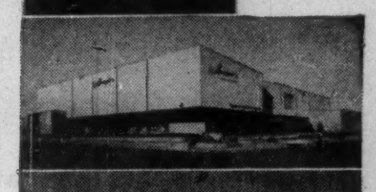


MONTREAL — PHILLIPS SQUARE

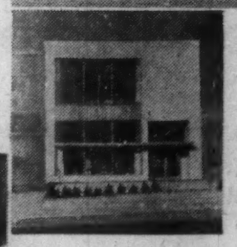
TORONTO — BLOOR STREET



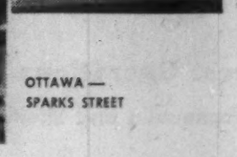
TORONTO — LAWRENCE PLAZA

HAMILTON — THE "CENTRE"

MONTREAL — BOULEVARD SHOPPING CENTRE



MONTREAL — DORVAL SHOPPING CENTRE



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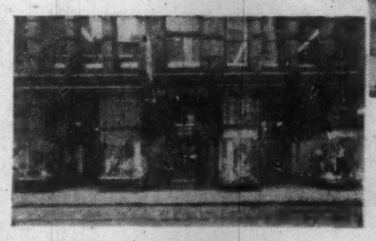

OTTAWA — SPARKS STREET

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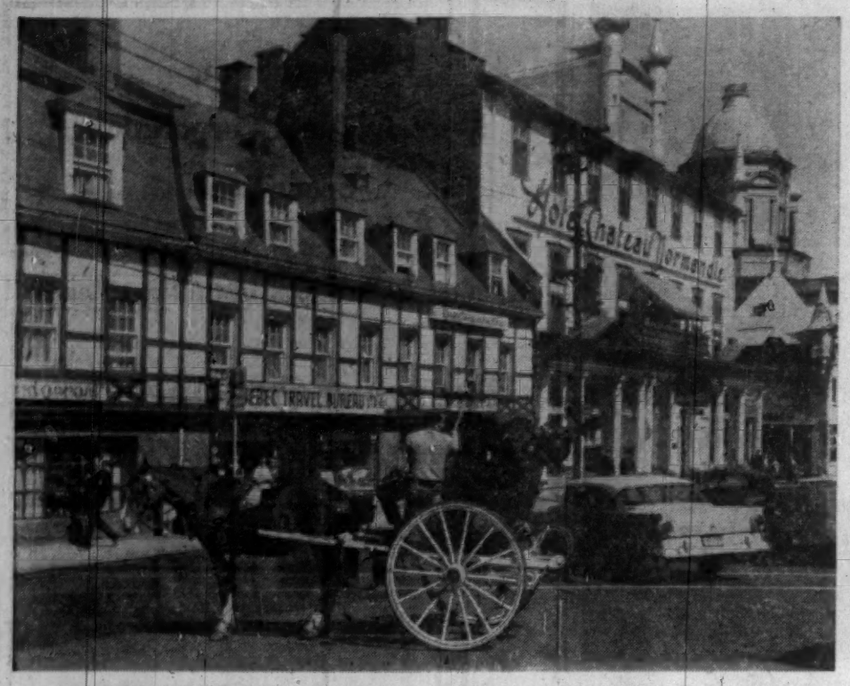

QUEBEC PRESERVES many of its old habits and styles of architecture.

Forestry

Most Valuable Asset

The forest — stretching across 80% of Quebec—is the province's most valuable and permanent economic asset.

It is a renewable resource, which can be made to produce a huge yield forever.

Years ago it wasn't thought of in this way. But today the provincial government and the large forest-using industries — especially the mammoth pulp and paper business — treat the forest on a sustained yield basis.

The various industries using this resource usually account for almost 20% of the province's gross production. This may decline gradually in the future but trees will always account for a big chunk of Quebec productivity.

Here is a rundown on forestry by Quebec Forest Industries Association:

Much of the Quebec forest is not at the present time economically useful.

Woodlands north of the 52nd parallel, which runs north of Lake Mistassini and across the lower part of James Bay, are classed as inaccessible. Therefore, data is limited to the southern or accessible region, with a forested area of 264,175 sq. mi.

The forests are for the most part owned by the province —in other words, by the people. These public woodlands constitute 90%, or 238,366 sq. mi., of the accessible forests. The remaining 10% belongs to farmers and other private owners.

The provincial government in 1955 leased 30.7%—81,214 sq. mi.—of the total area of accessible Crown forests to individuals or companies as timber limits for the purpose of woods operations.

In addition, the province leases relatively small areas of lands classed as "vacant," for varying periods. These "vacant" lands extend to 147,908 sq. mi. or 56% of accessible woodlands.

The annual harvest from the Quebec forests (which totals up to a billion or more cubic feet) is considered by many foresters to be still lower than the productive possibility of the accessible timberlands, although opinions vary widely.

While logging operations are intensive in certain areas, particularly near mills and plants, much of the Quebec forest still is not being harvested.

Less than a third of the accessible public forest is leased for logging purposes.

The productive potential of the Quebec forest is being increased appreciably by modern technology and research. Improvements in transportation methods make more of the forest accessible and allow the use of an increasing variety of species.

Preparation of forest management plans are complex and costly undertakings, requiring detailed inventories of huge areas by the limit-holders to establish the possible yield of each particular section. Hundreds of thousands of dollars are expended by operators each year in such surveys.

Management plans are based on many things, such as minimum age of trees, minimum diameter, rate of growth, salvage of windfall and trees killed by disease and insects, thinning of certain stands, and other factors affecting productivity of woodlands.

Regulations also provide for payment by limit-holders of ground rent, stumpage, and other dues which in 1954-55, brought direct revenues to the province of $14,235,956, in addition to all other taxes on sales, income, etc.

Forestry research has shown that the productive capacity of woodlands can be perpetuated and increased materially, with proper management methods.

We now think of the forest as a living, dynamic organism, ever-changing, ever renewing itself.

Left alone, Nature will produce less wood than if man speeds up and intensifies the reproductive processes. The virgin forest is a low producer compared with the properly managed one—just as a field will produce an increased harvest when it is well tended.

The forest is on the threshold of great developments. Already, its potential has been increased considerably by the industrial use of a wider variety of species. Forecasts that productive capacity of the woodlands can be as much as doubled, are being made on the basis of present observations.

However, the northern forest is not to be hurried easily. It will be years before large-scale results are felt.

Ice-Free Seaway?

Study Finds it Possible

There is no solid pack ice covering the whole of the Gulf of St. Lawrence, or in either Cabot Strait or the Strait of Belle Isle.

In certain years, however, in the middle or at the end of winter, Cabot Strait is entirely covered by floating ice for periods seldom lasting more than three or four days.

Although the Gulf, as a whole, is usually covered by vast patches of thin floating ice, there are large areas of open water, especially near the north shore (Quebec) and the west shore of Newfoundland, including Cabot Strait.

In the St. Lawrence estuary, the stretch of water extending from the Gulf to Quebec harbor, ice conditions vary greatly from sector to sector.

The estuary is divided into two main sectors, the Gulf of St. Lawrence-Ile aux Coudres sector, and the Ile aux Coudres-Quebec sector.

In the first sector there are vast stretches of open water, especially along the north shore due to the dominant west, north and northwest winds.

The second sector is 54 miles long, and is the difficult sector of the route.

Here floating ice is continually moved by the combined action of winds, tides and currents. Moreover, the vessel track is confined to a channel 1,000 ft. wide over a distance of 11 miles.

Winter navigation is possible:

- **During the** solar day.
- **In clear** weather.
- **According to tides;** sailing up or down with the floating ice.

Ships intending to navigate in the Quebec-Ile aux Coudres sector will have to wait for favorable tides and weather conditions.

In the case of the upstream journey from Ile aux Coudres to Quebec the journey should begin the moment the tide starts to rise in the Ile aux Coudres channel and starts to move floating ice upstream.

The downstream journey from Quebec to Ile aux Coudres should start the moment the tide starts to go down at Quebec. The journey each way should take approximately five hours to complete.

The study of the various meteorological factors, rain, snow and fog, shows that it should be possible to navigate on the St. Lawrence a total of 20 days in December, 21 days in January, 20 days in February and 23 days in March.

Similar navigation has been successfully carried out in the Baltic Sea in the ports of Helsinki and Stockholm, and there is no reason to believe that it should not be equally successful in the St. Lawrence, up to the Port of Quebec.

One of the biggest problems facing Quebec is year-round navigation.

Among the many reports and studies on the problem of keeping the Seaway ice-free is one recently prepared for the Industrial and Trade Bureau of Greater Quebec.

The report covers navigation from the Atlantic Ocean to the port of Quebec. Here are some of its findings.

Dealing with the economies of winter navigation, the report found that the average tonnage handled in the port of Quebec during the period 1952-1956 surpassed 3,400,000 short tons annually.

Of this total 30% was loaded and 70% unloaded.

Almost 30% was foreign (imported or exported), and the remaining 70% was domestic or internal traffic between Quebec and Canadian ports.

Of the foreign trade, 54% of the customers importing or exporting goods through the port of Quebec were located in the Quebec metropolitan area, 21% in other ports in the province, and 25% elsewhere in Canada or the U. S.

The Quebec metropolitan area was the point of origin and destination of the domestic trade.

Half the Canadian domestic tonnage came from Canadian ports located below Quebec, the other half from Montreal and Ontario harbors.

The loaded domestic cargo was for the most part destined to north and south ports of the estuary and the Gulf of St. Lawrence.

The ports of Saint John, N.B., and Halifax do not perform exactly the same functions as does Quebec; they are to some extent both competitive and complementary to Quebec.

The port is an important factor in the regional economy; approximately 6,200 to 6,300 persons work in plants or offices or are engaged in administration directly related to port activity.

This figure constitutes 6% of the metropolitan labor force, with a total revenue of $20 million.

This revenue produces an additional $30 million in other economic activity. Therefore the port supplies a livelihood to 16,000 persons, representing a total population of 60,000 inhabitants.

Some changes as a result of winter navigation would be:

- **A gradual increase in port traffic; a change in the nature of commodities handled;** and increase in domestic tonnage carried so that domestic and foreign tonnage will split the total about evenly; an expanding hinterland.
- **The potential tonnage during a twelve-month season is estimated at 6,200,000 tons,** a gain of 2,800,000 tons over existing tonnage and

(Continued on page 60)

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Montreal

Metro Plan This Year?

Montreal hangs on proudly to its title of Canada's biggest city and its lively rate of growth promises to keep it top of the list for quite a while—despite Toronto's rapid growth.

Most recent population figures—for year's end, 1958—give Montreal city proper 1,146,000 and Greater Montreal 1,749,000.

Population increase over the past few years has averaged over 60,000 annually.

This year promises to see some major changes for Montreal. Most important by far is the move to set up a Toronto - style metropolitan government taking in the communities on Montreal Island and possibly on the North and South Shores of the St. Lawrence as well.

Such a government has been strongly advocated for some years by many Montreal groups. The principle has received active support, too, from Premier Duplessis.

But, as always in such cases, many of the suburban communities are opposed to losing their autonomy and to a possible hike in taxes for metro purposes.

If the metro plan as now envisaged comes into operation, it will mean some two million people and 70 communities linked together.

A committee set up to report on the scheme to Duplessis heard evidence from the affected communities toward the end of last year. The report was to go to Quebec City for legislative action.

Duplessis has said: "For too many years the people of Montreal have been called upon to shoulder the debts of other municipalities."

While politically a supporter of autonomy where practical, the premier apparently felt that some form of central government controlling such matters as police, fire and health departments would make Montreal area more efficient.

Whatever form of government emerges later this year, Montreal and surrounding communities expect further growth.

Building permits issued in Montreal proper last year were down slightly in number—6,560 from 6,923—but up in value—$164.6 million from $129.7 million.

Value of building permits for Greater Montreal for the first 10 months of 1958 (most recent available) was up a thumping 31.2% to $264.2 million from $201.5 million for the same period the year before.

The aggregate payroll index for the first 10 months in Greater Montreal (1949 equals 100) was 198.3, up from 195 a year before.

Average weekly earnings stood at $68.43, up from $65.57.

One of the burning questions for Montreal, one shared by many ports, is what effect the Seaway will have.

The official line—one that may well be correct—is optimistic. The expected marked increase in shipping would bring new prosperity to the harbor.

An expression of this enthusiasm is the extensive modernization program now being carried out in the harbor area.

Grain storage facilities are to be extended to handle a 22-million bu. capacity.

New concrete wharfs, 1,800 ft. of them, are being installed. A number of other improvements are scheduled for storage sheds, roads, sewers, and the harbor railway.

But will there be increased business to use the improved services?

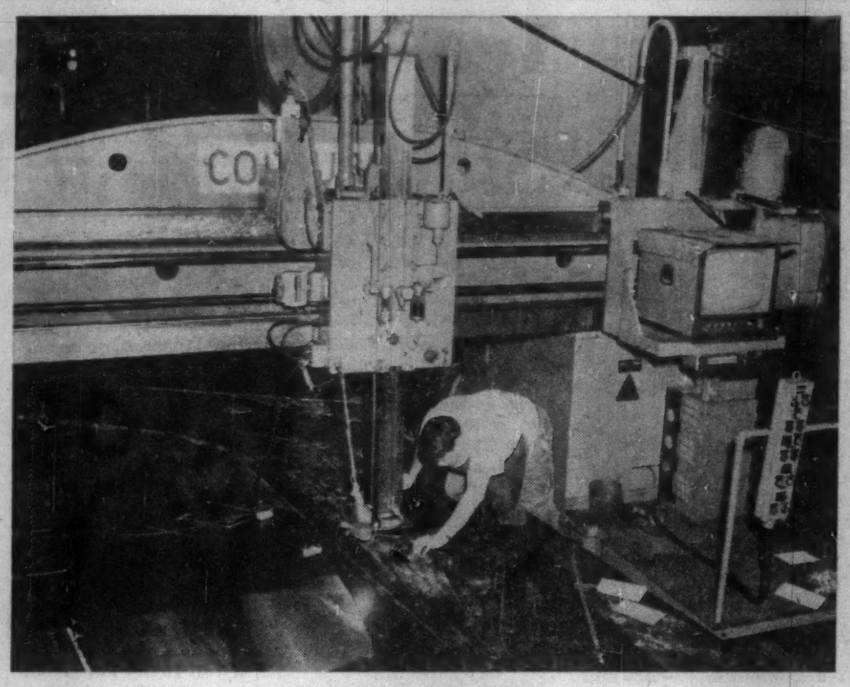
Last year saw Montreal's harbor extremely active.

Total tonnage handled reached 16.8 million tons, up from 15.8 million tons in 1957.

Grain showed a particularly marked surge—125 million bu., up from 86 million.

Montreal harbor officials and companies are hard at work to keep the ships coming to the port, rather than passing by with cargoes intact.

But the proposed grain storage facility at Baie Comeau, growing activity in ice-free navigation which could open Quebec City as a year-round port, and the attraction of increased direct shipments to and from inland ports all cause some worry for Montrealers.



DESPITE EXCESS aluminum capacity, Quebec producers continue to expand.

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MONTREAL, QUEBEC

Study Finds Ice-Free Seaway Is Possible

(CONTINUED FROM P. 59)

3,400,000 tons for an eight-month period.

- **The estimate of potential tonnage of 6,200,000 tons per year is based on the capture of certain types of traffic presently lost to the port of Quebec** during the closed season.

- **It is estimated that 1,300,000 tons of traffic** are lost by the ports of the lower St. Lawrence to the ports of Saint John and Halifax during the closed season.

- **That 1,500,000 tons of traffic detour via U. S.** during the winter months, the tonnage of Canadian exports shipped by the U. S. Atlantic coast ports during the Quebec closed season.

- **In the future a considerable increase should be shown in the present small** and negligible tonnage carried between Quebec and north shore ports.

- **It would be more economical for some Canadian importers and exporters to use the port of Quebec rather than the Atlantic U. S. or Canadian ports** during the winter.

A saving of between 2c and 47c on each 100 lb. carried could be made on many commodities.

These savings are based on comparative studies of railway freight rates in cents per 100 lb. for 25 typical commodities shipped from the same point and exported by Quebec, Halifax, Saint John and New York.

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Wet Weather Means Sales For Two Montreal Pilots

Wet, soggy, slushy winter weather getting you down?

Two Montreal-based airline pilots — G. A. Anderson and John E. Cosco — have come up with a new product that may be the answer to many of your problems.

Turning a basement-born, spare-time project into a full-fledged business enterprise, the two have developed a new aerosol water repellent designed to waterproof a wide variety of textile and other materials.

Called "Ex-Rain," the silicone-based water repellent is already being marketed through a large Canadian department store chain. Negotiations for other sales outlets are under way.

The two partners expect sales of several hundred thousand aerosols for home use in 1959.

Prospective bulk users have also expressed interest. Included are a number of Federal government departments.

Anderson, who is 26, got the idea for a silicone-based water repellent in the fall of 1957. He was dissatisfied with products of this type then available and felt there was considerable room for improvement.

He consulted with a friend, a chemical engineer. After some four months of kitchen experiments, they came up with a likely solution.

The new formula got rigid in-use testing for water-repellency, adhesion, durability on the snow suits, ski togs, and other outdoor apparel of the pilots' families and their friends.

Even the Anderson washing machine was pressed into service: One treated snow suit was washed 20 times to test permanence of the repellent.

Then decisions had to be reached on the method of application of the product and how it would be packaged for sale.

A spray applicator of some sort seemed to be indicated. Further investigation pointed to the aerosol, push-button spray.

A sample was submitted to Du Pont of Canada's technical service laboratory at Kingston, Ont., for further testing with precision equipment and development of the proper formulation for aerosol packaging. Also, the proper container and valve were recommended.

"But our problems were by no means over," Anderson recalls. "Lacking the necessary capital, I approached Cosco and we formed the **Ex-Rain Corp. of Canada** and this alone involved much legal assistance and consultation.

"Then there were merchandising and promotion problems, selection of an advertising agency, drawing up of labels, establishing the price structure for our product and, later, making arrangements with manufacturers' agents, wholesalers and retailers.

"This was an entirely new experience for a couple of pilots who had never done anything but fly airplanes. We worked during our otherwise inactive periods between our cross-country flights."

The two, by the way, are still flying and look after their business between flights.

Indicative of their do-it-yourself approach was the registration of their trade mark in Ottawa.

They had drawn up dozens of potential names and selected one which they thought most suitable. But discussions with the Registrar of Trade Marks at Ottawa showed it was not registrable.

Gradually other alternatives were eliminated, either by the partners themselves as being unsuitable or by the registrar because it infringed on existing marks.

Finally they reversed the syllables on their first choice and it was accepted by all concerned.

Packaged in an aerosol container for home use, Ex-Rain is suitable for waterproofing such items as cloth rain coats, sports togs of all kinds, adults' and children's outerwear, sails and tents.

For bulk use, the repellent can be applied by painting as well as spraying.

RETAIL SALES

Retail sales, reflecting the high standard of living of the province's population, in 1956 showed an increase of 10.5% over the 1955 figure and reached $3,322,000,000.

In 1945, retail sales amounted to $1,080,800,000, which means that since then there has been a 207% increase.

The increase for the January to October period of 1957 compared with the corresponding months of 1956 shows a rise of 3.7%.

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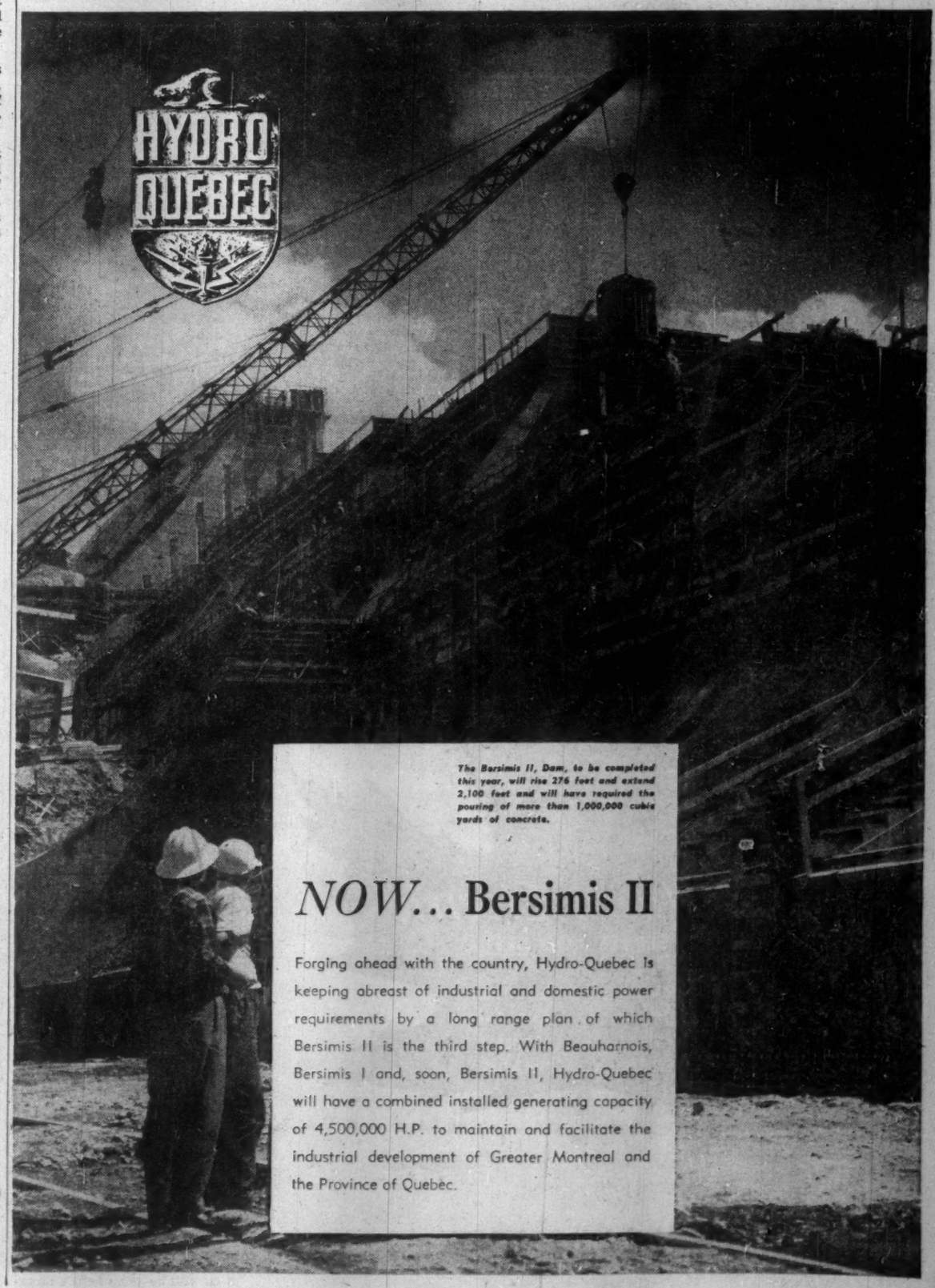

The Bersimis II, Dam, to be completed this year, will rise 276 feet and extend 2,100 feet and will have required the pouring of more than 1,000,000 cubic yards of concrete.

NOW... Bersimis II

Forging ahead with the country, Hydro-Quebec is keeping abreast of industrial and domestic power requirements by a long range plan of which Bersimis II is the third step. With Beauharnois, Bersimis I and, soon, Bersimis II, Hydro-Quebec will have a combined installed generating capacity of 4,500,000 H.P. to maintain and facilitate the industrial development of Greater Montreal and the Province of Quebec.

Quebec Communities

MONTREAL IS CANADA'S biggest city and is still growing at the rate of 60,000 people a year.

The Cities

Big Year, Big Changes

Long regarded as picturesque but tranquil communities, Quebec's cities and towns are flexing new industrial muscles.

Growth is spectacular in the area around Montreal, the Eastern Townships, along both shores of the St. Lawrence river.

A good deal of the growth is due to greater exploitation of natural resources.

Baie Comeau on the North Shore is an example. It has a population of some 8,000 now, is expected to reach 15,000 when **Canadian British Aluminium Ltd.** goes ahead with the third and fourth stages of its smelter.

On both sides of the river, power developments are pouring new money into the economy. In the Eastern Townships, long a farming and textile region, the emphasis is on more diversified industry.

Here, in brief, is what some of Quebec's growth communities are doing:

Quebec City

About 160 miles northeast of Montreal, Quebec City is the supply centre for the province's expanding northern frontier.

Its economy is certain to boom with the rapid development of the Lower St. Lawrence.

A deep-water port, open only eight months of the year, Quebec is pushing the campaign for winter navigation.

Last year $5 million was spent in the harbor as part of a continuing improvement program.

Value of construction permits in 1959 is expected to parallel last year's $16 million. The school commission is spending $2.5 million. Biggest item in a $2.4 million public works program is $1.3 million for streets and sidewalks.

Long-range plans include a bridge across the St. Lawrence river to Levis and canalization of the St. Charles river to create new building land within the city.

Sherbrooke

Biggest city in the Eastern Townships, an area of diversified industry and rich farmlands, Sherbrooke is granting building permits at the rate of $5.5 million a year.

City has 125 acres of land set aside for industrial expansion. To attract new industries it is offering special deals for plant construction.

Walter M. Lowney Co., manufacturer of chocolate products, confections and ice cream, is moving most of its operations from Montreal to Sherbrooke and will build a $5 million plant.

Capacity will be 25% greater than the Montreal plant which is now for sale. Only the ice cream division will remain in Montreal.

Construction of Lowney's Sherbrooke plant will start in April, 1960.

Last year **S. W. Hooper & Co.** and **Prospect Shoe Ltd.** moved into Sherbrooke.

Municipal expenditures in 1959 will run close to $1 million.

Shawinigan

Centre of the chemical industry in Quebec, Shawinigan in 1958 saw the opening of **Shawinigan Chemicals'** new caustic soda and chlorine plant.

Value of building permits was $2.3 million, down slightly from the preceding year, when substantial expansion was undertaken by **Aluminum Co. of Canada, Canadian Industries Ltd., Consolidated Paper Corp., Canadian Resins & Chemicals** and Shawinigan Chemicals.

City is spending about $250,000 a year, a good deal of it on sewage and street improvements.

Granby

This city in the Eastern Townships is celebrating its centennial. About half its working force is engaged in manufacturing.

Last year it attracted a new furniture company, **U. Marcoux & Fils.** Major construction projects include two schools at a cost of $423,000. Value of building permits in 1958 was $2.6 million, double the 1952 figure.

Thetford Mines

Long an asbestos centre, Thetford Mines is seeking to diversify.

It has acquired a large tract of land, served by **Quebec Central Railway Co.**, and is offering it to new industries on a 20-year amortization plan.

Total property valuation is set at $45 million this year, up 10% from 1958. Now under construction is a $3.5 million classical college. Other school constructions run to $825,000.

Rouyn-Noranda

The twin cities of Rouyn and Noranda are in the heart of a rich mining area, accounting for some 30% of all Quebec production.

Biggest mine is Noranda with more than 2,000 employees.

Canadian International Paper Co. has a pulp mill in the area. Also using forest resources are 160 sawmills. Construction permits issued last year amounted to $3 million, a new high.

St. Hyacinthe

This city of 30,000 south of Montreal has appointed an industrial commissioner.

Last year **Kimberly-Clark Corp.** constructed a converting plant to provide better service for sanitary products customers in Eastern Canada. Other new industries were established by **Allied Extrusions Ltd.** and **Jack Stratt Co.** The municipality granted building permits in excess of $2.6 million in 1958, is spending $500,000 on a new school.

Drummondville

On the St. Francis river in the Eastern Townships, Drummondville encourages industry by providing low-cost loans for construction.

Recent expansion has been carried out by **Templon Spinning Mills Canada Ltd.**, which built an orlon manufacturing plant two years ago, and **Drummond Business Forms** which added 42,000 sq. ft. to its plant.

The municipality has embarked on a $2 million school construction program, is planning to spend some $200,000 on civic improvements.

Chicoutimi

In the rapidly expanding Saguenay and Lake St. John region, Chicoutimi offers commutation of taxes to new industries.

Several inquiries have been received that might lead to new developments this year.

Last year the municipality granted $5.2 million in building permits. Two new schools were built. Two more are slated for 1959, including a $1.2 million high school.

Riviere du Loup

On the south shore of the St. Lawrence, Riviere du Loup is a year-round shipping point.

One firm, **F. F. Soucy Inc.**, is planning a $2 million expansion of its pulp and paper mill. After acquiring **Cie de Telephone de Kamouraska, Bell Telephone Co.** spent $1.3 million on improvements last year.

Trois Rivieres

Main industries are pulp and paper, metal products and textile goods.

Mack Trucks of Canada is expected to start construc- January **Provincial Gas and Welding Supplies** began construction of a new plant.

Building permits rose to nearly $7 million last year from $6.2 million in 1957.

Baie Comeau

Some 250 miles below Quebec City, Baie Comeau is the fulcrum of industrial development on the North Shore.

Founded just 21 years ago, it is the home of **Quebec North Shore Paper Co.** and Canadian British Aluminium Co. Cash requirements for the Canadian British operation will run to an estimated $95 million by end of next year. That's exclusive of major power expansion jobs carried out by **Manicouagan Power Co.** and **Quebec Hydro. Gargill Grain Co.** is building a 15 million bu. grain elevator which could make Baie Comeau the third largest export grain shipping port in Canada.

St. Jerome

Gateway to the Laurentian mountains, St. Jerome is a light manufacturing centre, tion of an autobus and truck assembly plant in April. In serving a large area north of Montreal.

It is expected to expand

(Continued on page 62)

More Syrup, Less Sugar

Changing public taste has transformed Quebec's colorful maple products industry.

But the province still is the leading Canadian tree-tapper.

Today consumers like maple syrup, aren't so interested in maple sugar — although much of the latter still sells from road-side stands.

Production in 1958 is estimated at 2,066,000 gal. of syrup and 690,000 lb. of sugar — total equivalent of 2.1 million gal. of syrup.

In 1937: 780,000 gal. of syrup and four million lb. of sugar — equivalent to 1.2 million gal. of syrup.

Last year nature yielded about 23% fewer gal. than in 1957, which had been an excellent year.

The government hasn't yet estimated income from maple products in 1958 but in postwar years it has ranged from $6 million to $11 million, averaging about midway between the two figures.

It's calculated that last year the province produced more than 80% of the nation's syrup and sugar. Ontario was a distant second. There was small production also in New Brunswick and Nova Scotia.

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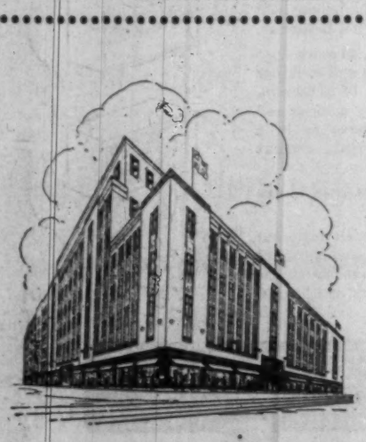

It pays to shop at Dupuis'

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Back in the early years of the century the then Anglo-Persian Oil Company (which was later to become The British Petroleum Company) struck oil in Persia and built a pipeline from Maiden-i-Naftum to Abadan. A few years later a contract was awarded the company to supply oil to the ships of the Royal Navy. After the First World War the company started its own tanker fleet, purchased its own United Kingdom marketing organization and is now one of the world's greatest oil companies, having the largest proven reserves of crude oil in the world.

In 1957, under the name BP CANADA LTD., the company started operations in Canada. In only eighteen months it has acquired or built nearly 400 stations in Eastern Canada, and negotiations and construction already under way promise to make 1959 a year of unprecedented expansion and progress.

The refinery now being built by BP REFINERY CANADA LTD., just east of Montreal will incorporate the very latest processes and equipment known to the petroleum industry.

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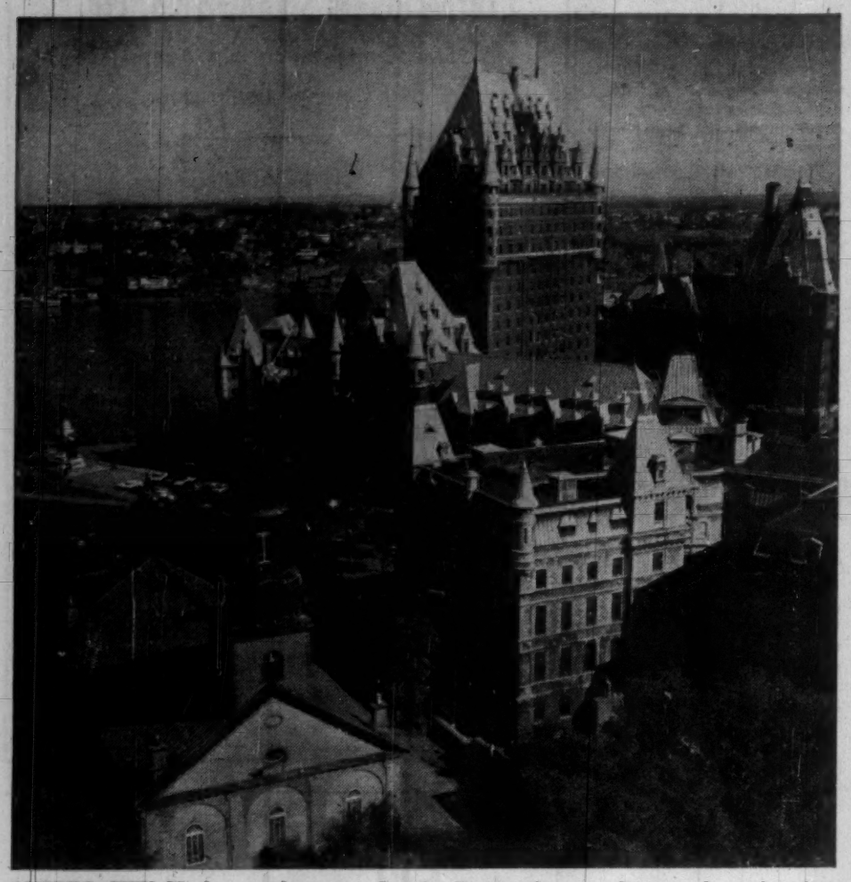
Quebec Communities



QUEBEC CITY IS the supply centre for the Province's expanding northern frontier.

(CONTINUED FROM P. 61)

rapidly when it becomes more accessible with the opening of the Laurentian Autoroute.

To meet the needs of an increasing population, two new schools are being built.

A sewage and street improvement program is absorbing $500,000.

Rimouski

Population of this Lower St. Lawrence town has more than doubled in the last 15 years. Its future expansion may be closely related to the exploitation of mineral deposits in Labrador and the Gaspé peninsula and to the harnessing of vast amounts of hydro power on the North Shore.

Quebec Telephone, which serves the area, spent some $5.5 million on capital projects in 1958.

Sorel

A shipbuilding centre on the St. Lawrence, below Montreal, Sorel is also an important trans-shipping point.

Currently **Quebec Iron & Titanium Corp.,** which refines titanium slag from ilmenite ore at Sorel is in the midst of a $16 million expansion program to boost slag output 60%.

This is with a view to the future. QIT, beset by heavy inventory, shut down Oct. 1.

The city issued nearly $1 million in building permits last year, about the same as in 1957. Included among 1959 municipal projects is a $350,000 classical college.

Hull

On the Ottawa river, at its confluence with the Gatineau, opposite the nation's capital, Hull is a pulp and paper centre.

E. B. Eddy Co. last year spent some $3.7 million on a new Yankee paper machine which went into production at the end of October. It spent $1 million on additional pulp and steam capacity and $1.9 million on a continuing program of plant improvement and development.

The city, which topped the 50,000 mark in population two years ago, is greatly expanding municipal services. A three-year sewage and waterworks improvement program has absorbed $1.2 million.

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Quebec's Growth

Here's where Quebec stands today:

INDUSTRIALLY

Value of manufactures is close to $7 billion annually, almost twice the 1948 figure.

Construction has been worth about $1.6 billion yearly recently, almost four times the 1948 total.

Mining production is over $400 million compared with $150 million a decade ago.

In the same period, the rate of farm production has risen 20% to more than $600 million; forestry is up somewhat less to between $250 million and $300 million.

Total production is running at a rate of about $10 billion annually, just about exactly double the rate in 1948 and almost one third the national figure.

GEOGRAPHICALLY

The heavily populated southern area stands astride one of the world's high streets of trade and commerce —The St. Lawrence River which, with this year's opening of the St. Lawrence Seaway, allows most ocean-going vessels to sail into the Great Lakes.

Stretching hundreds of miles northward are huge almost unpopulated regions rich in minerals and forest resources.

Area: 595,000 square miles, including 71,000 square miles of water—Canada's largest province.

About 5,000 miles of railway and 44,000 of road crisscross populated areas.

THE PEOPLE

Population of about 4.9 million compares with 4.1 million in 1951, 3.3 million in 1941. Only Ontario among the provinces has more people.

The fast-moving trend to city living has installed 70% of the population in urban surroundings.

More than 80% are of French origin. About two thirds of the remainder are of British descent.

Almost two million live in and around Montreal, Canada's largest city, more than 300,000 in Greater Quebec City.

IN TRADE

This is almost certainly Canada's greatest exporting province. It is the biggest pulp and paper producer—and that is the nation's top export item—is easily the leading producer of aluminum and asbestos. Both these are major export products.

Its large chemical industry also ships to many nations. Most of its iron ore is exported.

Montreal is Canada's largest port, second biggest grain exporter.

Logical Site for New Steel Mills

Quebec is bound to have a basic steel industry for its expanding market — perhaps within 20 years.

There are no primary steel mills between Hamilton and Sydney, N.S., and many believe the St. Lawrence River valley is the logical site to install new capacity.

Two steel firms already have acquired land at Contrecoeur, Que., on the south shore, off the tip of Montreal island, where the deep waterway to the sea sweeps close to shore.

There, **Steel of Canada** is building a $10 million pipe plant, will eventually undertake expanded capacity.

Dominion Steel & Coal Corp. has plans for a $20 million cold rolling mill, possibly $55 million in hot strip facilities.

There are hopes that in the long term, Dosco will erect a fully integrated steel plant in the Contrecouer area.

Since World War II Canadian steel capacity has more than doubled to around 5.5 million tons. Capital expenditures by the four big steel companies have amounted to $400 million.

About 70% of domestic requirements are met by Canadian production, up from 40% in 1929.

An indication of potential is that per capita consumption is only half that of the U. S.

Dosco considers its cold rolling mill of great importance.

Company's entry into flat rolled products will bring it into competition for 47% of the steel market from which it is now excluded.

A mill at Contrecoeur will give Dosco new products and new markets and a substantial outlet for primary steel made at Sydney.

The Roe subsidiary already has four plants in Quebec. With the addition of a modern flat-rolled mill supplied with iron ore from Newfoundland and Quebec, primary steel and coal from Nova Scotia, it expects to become "the major steel company for and in Quebec and the Maritimes."

The new No. 4 plant of wholly-owned **Canadian Bridge Co.** commenced operations in Montreal in September, 1957. In the same year a new plant of **Truscon Steel Co. of Canada** came into production.

Truscon became a wholly-owned subsidiary of Dosco in April, 1958. Also at Montreal is **Canadian Tube & Steel Corp.** Offices of **Stowell Screw Co.,** taken over in late 1956, are at Longueuil, on the south shore.

Vast Mineral Potential

(CONTINUED FROM P. 50)

the new King-Beaver mill will handle ore from both the King and Beaver mines. The King mill is being closed.

This will enable the company to recover large tonnages of otherwise unminable ore.

Canada's largest asbestos producer — **Canadian Johns-Manville** — made extensive additions to its mine and mill facilities several years ago. The company's operations account for about half of Canada's asbestos output.

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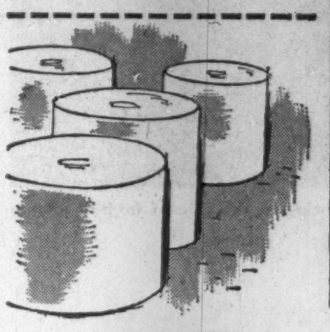

in the Pulp and Paper Industry

These high capacity Forano belt conveyors, powered by Forano drive units, carry sawdust (left) and chips and bark (right) at a leading Eastern Canadian pulp mill. The system meets special requirements and was designed and engineered by Forano.

In this giant industry, as in lumbering, mining, grain elevators and general industry as well, the name Forano constantly recurs. Wherever it is seen you can be sure that engineering skill and imagination have been combined for optimum results.

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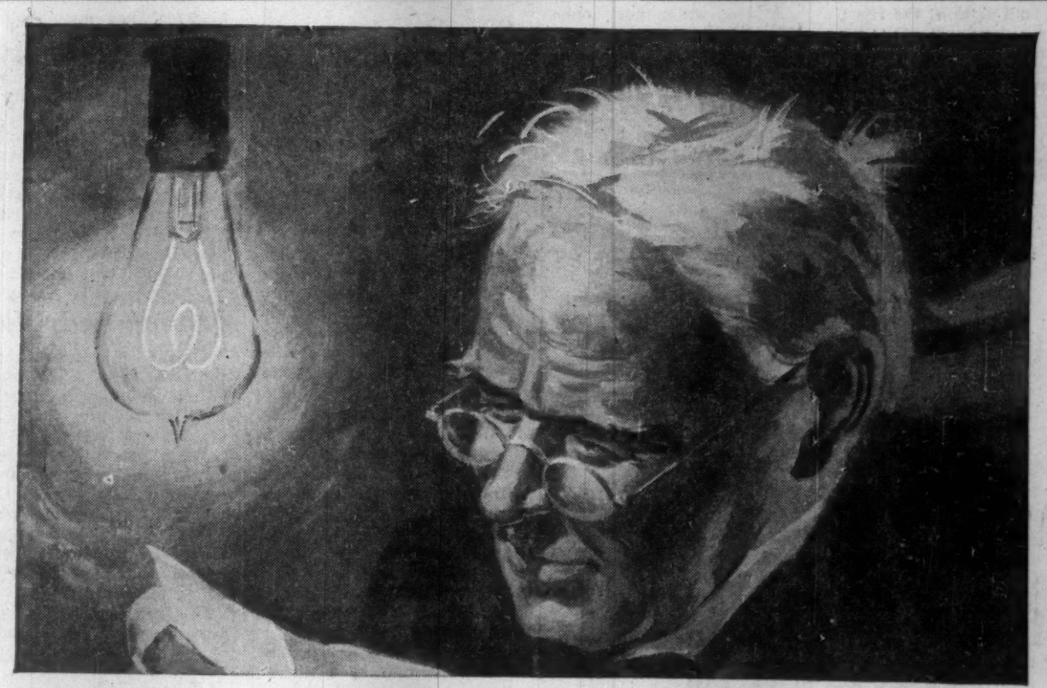

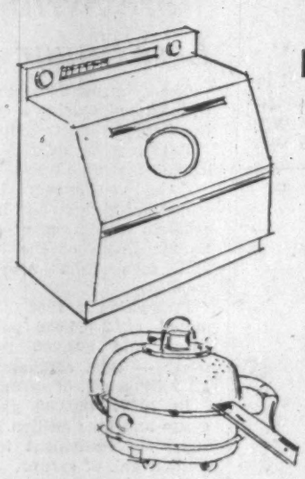

Remember when a light bill bought only light?

Only 80 years ago, Thomas A. Edison invented the first practical electric light bulb. On this history-making achievement was founded one of the nation's largest and most vital industries.

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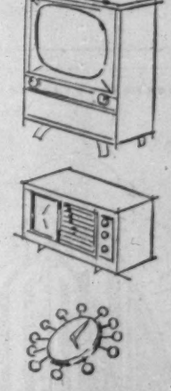
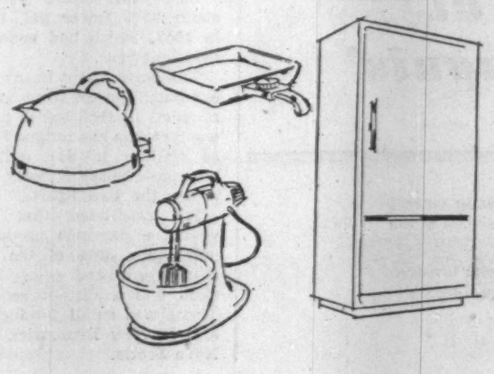
For more than half a century Shawinigan has been in the forefront of Canada's electrical progress.

Since the completion of its initial 7,500 kw. generating plant in 1903 the company has grown soundly and steadily, until today it operates seven large generating developments on the St. Maurice River with a total installed capacity of 1,510,600 kilowatts.





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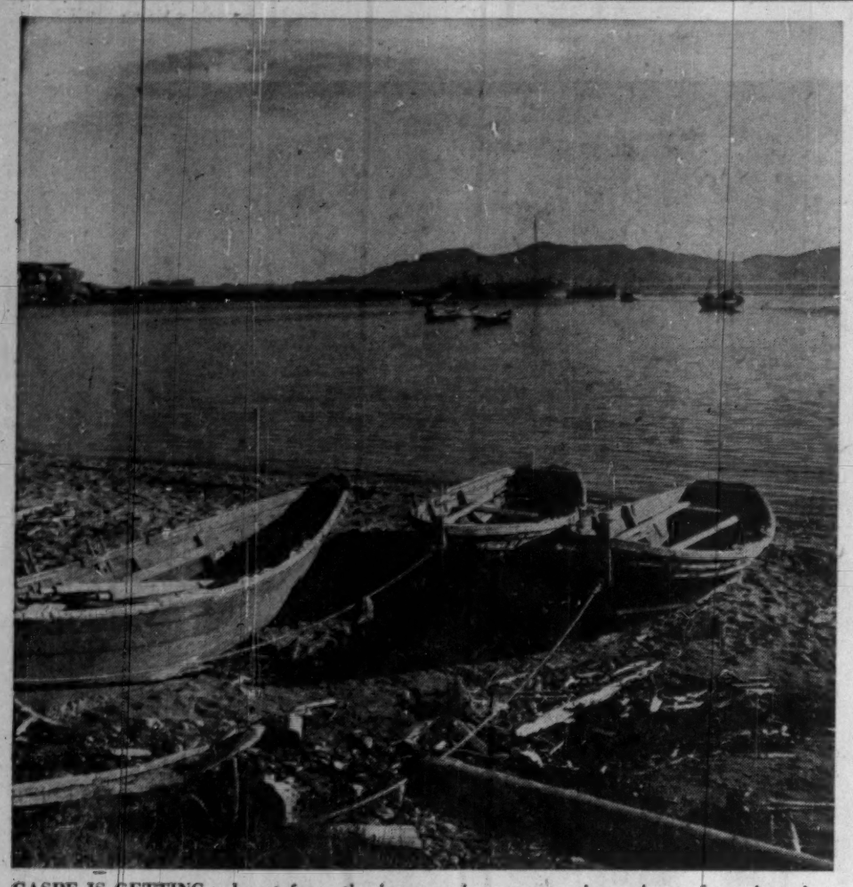


GASPE IS GETTING a boost from the increase in copper prices. Apart from its mine tourism and fishing are its biggest industries.

Stock Exchange

Crucial Years Ahead

The next few years will be crucial for the **Montreal Stock Exchange** — the nation's oldest — which for over 75 years has presided over much of Canada's economic development

They will determine whether the venerable exchange will grow and prosper in tune with Quebec's bright economic prospects — or wither slowly in a growing shadow cast by the bigger-volume **Toronto Stock Exchange.**

During the past few months there has been increasing talk of possible merger of the two exchanges.

Proponents of such a scheme say it could have a profound effect not only on the Montreal exchange but also on security trading in Canada as a whole, by creating one big board overshadowing all others.

Investors would receive better service, merger proponents argue.

There are, of course, opponents to the merger proposal. They say its supposed advantages may be illusory.

The entire question has been brought to a head by the Toronto exchange.

Recently it announced intention of acquiring new, larger quarters and complex, costly electronic equipment to speed up, simplify and cut costs of the present cumbersome trading process.

In addition to the exchange's own business, such electronic equipment could also be used to relieve member-brokers of much of the costly, laborious paperwork they must now do.

Some quarters of Montreal's investment community see merger as a now-or-never proposition.

If Toronto puts in the new electronic equipment, Montreal would have to follow suit or face loss of some of its business, they argue. Such duplication, they add, is not only senseless but very costly.

Anti-merger forces say that it has by no means been proved that a market can be run by electronic means. Nor has the cost saving, if any, that would result from such a system been determined.

Both exchanges, it is reported, have established committees to investigate the question.

Merger or not, the Montreal Stock Exchange is currently in the midst of a drive for new business.

Together with its sister exchange, the **Canadian Stock Exchange**, it has started an educational advertising campaign designed to drum up business for its members and thus increase the position and prestige of the two exchanges.

Theme of the campaign is to educate and encourage Canadians to invest in Canada. It is understood about $100,000 will be spent on the project.

The Montreal exchange is also investigating the possibility of establishing a central securities depository, a "share certificate bank" for brokers, chartered banks, insurance and trust companies.

Object of the depository would be to cut costs and streamline the present cumbersome process for handling the vast number of share certificates that change hands daily.

The depository works much like an ordinary bank except that it deals in share certificates rather than money and has stock brokers, trust companies, banks and insurance companies for clients.

Each client deposits his holding of securities with the depository and has his account credited with the amount.

Transactions between clients, accordingly, are reduced to book entries except when physical possession of the securities is required. In such a case, the necessary securities are withdrawn.

Both the Montreal and Toronto exchanges have made studies of the depository system. These reports are now being combined for further consideration, it is understood.

South Shore For Oil?

If additional oil refineries are built in the Montreal area — already a $270 million a year market for crude — they probably will be on the booming south shore.

Industrial and residential building in the heavily concentrated refinery area on the east end of the island of Montreal is gobbling up possible refinery expansion space.

In the face of rising land values, long-range planners are looking across the St. Lawrence where already a $150-million industrial development is under way, stretching from Cote St. Catherine to Contrecoeur.

The alternative: Permit a shrinkage of areas served, providing new markets for Ontario and Maritime refiners.

Irving Oil Co., participating in construction of a $50-million oil refinery in Saint John, N.B., is planning an invasion of the Montreal market, forecasts that by 1961 about 40% of its sales will be in Quebec.

South Shore refineries could obtain crude requirements through a link with the 236-mile pipeline that runs from the Atlantic port of South Portland, Me., to Montreal.

The line goes under the St. Lawrence about five miles from Varennes.

New attention has been focused on the vast Quebec oil market by:

- **A rising tide of Canadian oil reserves** seeking new outlets.
- **A split in thinking between independent companies and the majors** over proposals to extend pipeline facilities from the west to Montreal.

At stake is a market for 245,000 b/d, now served by crudes from Venezuela and the Middle East. That's about 90 million bbl. a year at $3 a bbl.

Some 80 million bbl. a year arrive through the pipeline from Portland. The remainder reaches the market by tanker.

These imports supply an area with refinery capacity of about 275,000 b/d, to be expanded to about 300,000 b/d in mid-1960 when **BP Canada Ltd.'s** new refinery comes on stream.

Here is the capacity breakdown:

	b/d
Imperial Oil	76,000
Shell Oil	60,000
Texaco-Canada	59,000
British-American	50,000
Canadian Petrofina	30,000

Petrofina expanded from 20,000 b/d to 30,000 b/d in the second half of 1958. Previously it had to buy a substantial quantity of finished products to meet demands in excess of productive capacity.

A long-term contract with **Petrofina, S.A.** of Belgium assures the company of crude requirements, mainly from the Middle East.

BP Canada, formed two years ago as a marketing associate of the **British Petroleum Co.** has some 500 outlets in Quebec and Ontario.

Its refinery, going up on a 600-acre plot at Ville d'Anjou, will have input capacity of 25,000 b/d.

It will be No. 15 in the international BP group which produces, refines, transports and markets oil products. Its main sources of crude are in Kuwait, Iraq, Iran and Qatar.

The Portland-Montreal pipeline is perhaps the least known of all Canadian pipelines. Spanning 166 miles in the U. S. and 70 miles in Canada, it was built in 1941 by **Standard Oil Co. (NJ)** to eliminate the hazardous wartime trip up the coast and the time-consuming St. Lawrence river journey.

The original 12-in. line cost $8 million. An 18-in. line was added in 1950 and 7.1 miles of 22-in. loop was constructed in 1956.

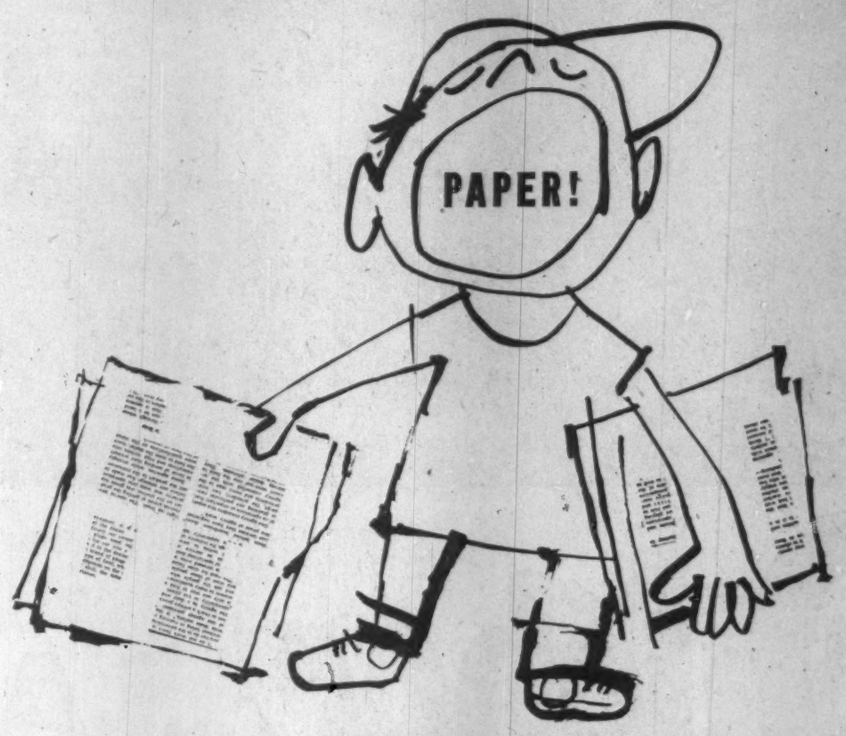
Additional pumping stations have increased capacity to 252,000 b/d and capital investment is now around $37 million.

In 1946 Standard Oil sold the line to four major refineries. Imperial acquired a 40% interest, B-A, Shell and **McColl-Frontenac** (now Texaco Canada) 20% each.

Three years ago each of these companies sold 10% of their interest to Canadian Petrofina. A further division of interests is expected when BP Canada's refinery goes on stream.

Products refined in the Montreal area are distributed in Quebec, Eastern Ontario and the Maritimes.

Tankers supply marine terminals east of Montreal on the St. Lawrence River and in Chicoutimi.



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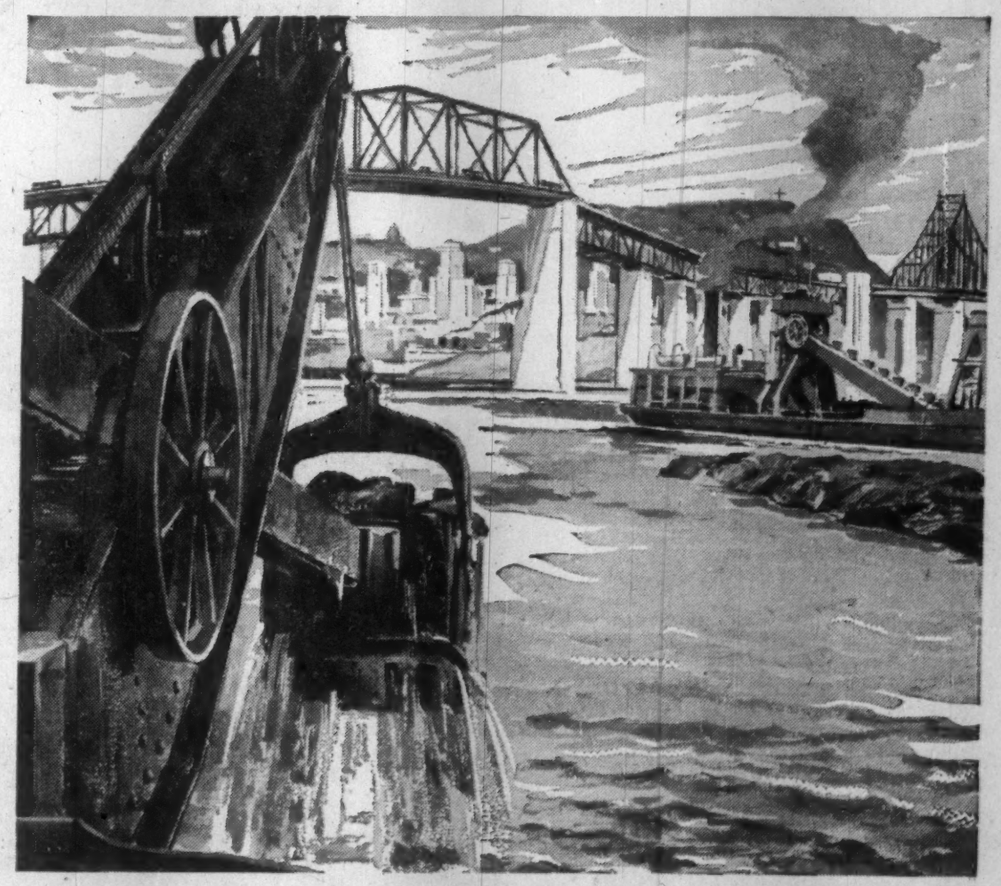

THE PATHWAY TO PROGRESS...

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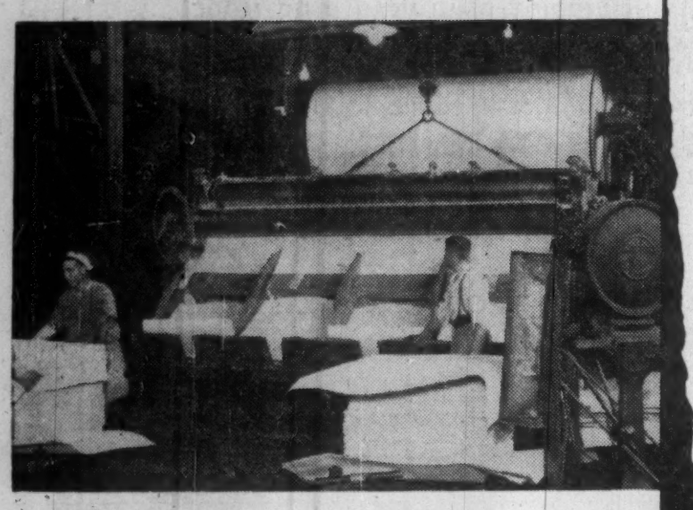
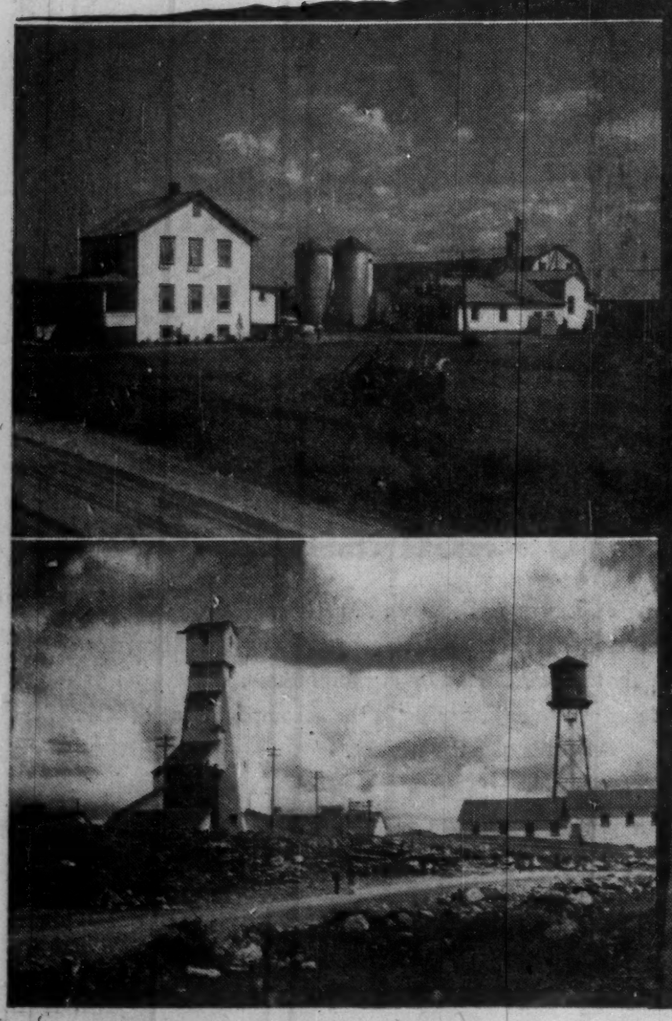


La Province de Québec is humming with activity — new industries are being established — new mines are being opened up — new hydro electric sites installed — new roads and railways constructed — new airlines opened up.

Opportunity is beckoning to investors, business men, farmers. Every citizen of La Province de Québec is profiting from the ever increasing industrial activity.

La Province de Québec cordially invites industrialists and business men to write for further information on the Province. Address:
Provincial Publicity Bureau,
Parliament Buildings,
Québec City, Canada;
or 50 Rockefeller Plaza,
New York 20, N.Y.



PROGRESS IN QUÉBEC

MINES
1941 - $ 99,700,000
1957 - $419,200,000

FORESTRY
1941 - $ 77,300,000
1957 - $285,000,000

ELECTRICITY
1941 - 4,321,000 h.p.
1957 - 8,964,000 h.p.

AGRICULTURE
1941 - $276,400,000
1957 - $626,000,000

MANUFACTURES
1941 - $1,841,100,000
1957 - $6,850,000,000

POPULATION
1941 - 3,312,000
1957 - 4,771,000

LA PROVINCE DE Québec